

Mr. STAATS. Well, we have never formally asked for it.

Senator NELSON. Well, what did happen? You had these conversations in which you said that in pursuance of this statute, we would like to find out the cost of production, but nothing happened.

Mr. STAATS. Well, we have had discussions. I guess that is about all we can say. We have had discussions. The matter is not foreclosed; the matter is still under consideration. But I am not prepared to tell you here today what our final decision is.

Senator NELSON. Well, I was not going to ask you. I am just curious.

Did they say, so that we avoid any formal or informal problem here, did they say that you have not asked us, but in the event you did ask us, our people would probably say no, but don't ask us so we will not be forced to give you that answer. You went to them and talked about it. I cannot figure out what happened. I was under the impression that they said: "No, we will not show you our cost figures."

Well, why don't we ask them, then? Maybe they will.

Mr. STAATS. Well, again, there are certain problems here. If we can deal with the question of costs without it, that is one thing. If we cannot, that is something else.

Senator NELSON. I do not understand that. If you can deal with the costs—

Mr. STAATS. Well, we feel that in terms of priorities, what we ought to be focusing on are some other things. I really am not quite sure what your point is. Maybe we are not communicating. Are you interested in the total negotiated contracts with a company, or are you interested in some particular drug?

Senator NELSON. Oh, I am not interested in any particular drug. I am interested in the question of all these negotiated contracts. I am disturbed when I see Colonel Breyfogle telling about specifications being set by companies so nobody else can compete. I am concerned about the taxpayer's dollar, I am interested in the statute that authorizes us to check costs.

Now, I would not attempt to tell you what your priorities should be. I know that you have all kinds of work assigned to you by the Congress and you have to make a decision about that. You may have other priorities that certainly may be greater than this. I cannot judge that. But we raised it a year ago. You were interested enough in the idea to come to my office and discuss it and to send me mail.

Mr. STAATS. I think, Mr. Chairman, you will recall that at that time, I furnished you with a long list of study items that we had underway, our reviews in this area. And I affirmed that in a letter to you January 18. We are still underway with these various studies; they are not all completed. We have given you the best we can today—our progress report. I am afraid I cannot really respond to your questions better than that.

Senator NELSON. And you do not wish to tell the committee what companies you even talked to?

Mr. STAATS. I would prefer not to.

Senator NELSON. Well, as I say, there is no way for me to assign priorities to the GAO. You know, I do not know what the highest priorities are. Perhaps we should get back to this again.