

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 10445

and strengthen the role of the Defense Medical Materiel Board. A study plan is being developed to consider and expand upon the GAO and OMB report recommendations. Additionally, several tests of alternate ways of procuring and distributing medical supplies are being conducted by the military departments.

2. Your progress in implementing the recommendations included in the Comptroller General's report dated December 6, 1973.

In our response to the Comptroller General last month we indicated agreement with the objectives and principles set forth in the report. We agree and are committed to improving the coordination and cooperation among federal agencies engaged in the procurement and supply of medical materiel. Action on the specific elements contained in the recommendation has been limited to informal coordination with the concerned agencies pending evaluation and implementation of the OMB study report on the management of medical materiel and nonperishable subsistence. Similarly, final action on the recommendation that the Veterans Administration and the Department participate in developing joint specifications is awaiting the outcome of the OMB report. The Department agrees with this recommendation and no problem is anticipated in implementation.