

10502 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

As of December 1973, no final agreement had been reached as to whether a single manager for drugs would be established. Our report supports the need for coordinated action in procuring and supplying drugs. I will briefly summarize our conclusions and recommendations and suggest that the report be included in the hearing record.

In summary, we concluded that:

- Significant savings and other advantages could result from greater cooperation and coordination between agencies in procuring drugs, such as consolidating requirements, making joint procurements, and reducing small-quantity local purchases by authorizing use by any Federal agency of any centralized Government supply source.
- Increased use of specifications for many drug products to encourage greater competition and central management of drugs should reduce costs.
- Better reporting of drugs bought locally and better use of related reports would improve selection of items for central management.
- Responsibility for all quality assurance activities relative to Federal purchases of drugs should be assigned to a single agency--the FDA.