

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

(Present Status of Competition in the Pharmaceutical Industry)

THURSDAY, APRIL 24, 1975

U.S. SENATE,
SUBCOMMITTEE ON MONOPOLY OF THE
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 1318, Dirksen Senate Office Building, Senator Gaylord Nelson [chairman of the full committee] presiding.

Present: Senator Nelson.

Also present: Benjamin Gordon, staff economist, and Kay Klatt, research assistant.

The CHAIRMAN. Today and tomorrow Monopoly Subcommittee of the Senate Small Business Committee will hear testimony on the OMB and GAO reports, and what is being done to fulfill the recommendations with respect to the establishment of a single, unified drug purchase and management quality assurance program.

Our witnesses this morning are Dr. Alexander Schmidt, Commissioner of the Food and Drug Administration, Mr. Hugh Witt, the Administration of the Federal Procurement Policy, Office of Management and Budget, Mr. Ronald Zechman, Associate Administrator for Federal Management Policy, General Services Administration, and Gregory Ahart, Director of Manpower and Welfare Division of the General Accounting Office.

I understand that Mr. Hugh Witt has to appear before the Appropriations Committee later this morning, so we will take his testimony out of the order listed here and hear him first.

Mr. Witt, you may present your statement however, you desire, and it will be printed in full in the record. Please proceed.

**STATEMENT OF HUGH E. WITT, ADMINISTRATOR FOR FEDERAL
PROCUREMENT POLICY, OFFICE OF MANAGEMENT AND BUDGET,
ACCOMPANIED BY LOUIS SORETT, MANAGEMENT ANALYST,
GENERAL SERVICES ADMINISTRATION**

Mr. WITT. Mr. Chairman and members of the subcommittee, I welcome this opportunity to appear before you today to discuss the steps we are taking to improve the procurement and management of drugs and medical items which are required to support the needs of