

cation, and Welfare, and Veterans' Administration, and the General Services Administration with lead responsibility to be carried forward by the General Services Administration's Office of Federal Management Policy.

Under the leadership of GSA Associate Administrator Ronald Zechman, an Interagency Medical/Nonperishable Subsistence Supply Management Committee was established to implement the study recommendations.

Responsibility for developing an implementation plan for the fourth recommendation, to consolidate under the Food and Drug Administration a quality assurance program for all Federal procurement of drugs and medical items, was assigned to the Secretary of Health, Education, and Welfare. Substantial progress has been made toward achieving the objectives that recommendation, Mr. Chairman, and a full report will be given the Subcommittee by the Food and Drug Administration's Commissioner Schmidt.

At this time, Mr. Chairman, I would like to ask that Mr. Zechman be permitted to describe for the subcommittee the progress being made in the executive branch to carry out the first three recommendations of the Office of Management and Budget study. At the conclusion of Mr. Zechman's statement, we will be happy to respond to any questions that members of the subcommittee may have.

The CHAIRMAN. Go ahead, Mr. Zechman.

STATEMENT OF RONALD E. ZECHMAN, ASSOCIATE ADMINISTRATOR, OFFICE OF FEDERAL MANAGEMENT POLICY, GENERAL SERVICES ADMINISTRATION

Mr. ZECHMAN. Thank you, Mr. Chairman.

Our appearance here today acknowledges your concern for the problems that exist with the purchase and management of drugs in the government today. We are here to explain to you and members of the subcommittee the system which we are developing to correct the existing inequities.

Thank you for the opportunity to appear before you and describe the organization and operation of the Interagency Medical Nonperishable Subsistence Supply Management Committee. This committee is in the process of implementing the procurement and supply aspects of the issues stated by Mr. Witt.

The committee was established in response to a request by the Director of OMB to the Administrator of General Services. The responsibility to form the committee was then delegated by Administrator Sampson to me. Great care was taken to staff the committee with experienced personnel whose level was high enough to have easy access to the decisionmakers and their agencies, but at the same time close enough to agency operations to know their practical problems.

To chair this committee, I selected a management analyst from my office, Mr. Louis Sorett, who is sitting to my right, with broad experience in the commercial hospital and laboratory supply business. The Department of Defense member of the committee is the staff director of the Supply Management Policy Director, Office of the Assistant Secretary of Defense for Installations and Logistics.