

responsibility as far as quality assurance is concerned. Mr. Chairman.

The CHAIRMAN. Are you saying that the DOD will no longer do its own inspection of drug manufacturing plants, but the FDA will do that for the DOD? Is that what you are saying?

Mr. WITT. That is correct.

The CHAIRMAN. And will the personnel or funds heretofore expended by the DOD for their inspection and quality assurance activities be transferred to the FDA?

Mr. WITT. That has not been worked out yet, Mr. Chairman, but I should think we would have some economies from this move. The FDA gentlemen who will speak to you later may very well be in a position to go into that at some depth. I do not know how many people will be involved in the arrangements.

Mr. GORDON. Your fourth recommendation deals with a Government-wide quality assurance program. Your committee found that material acquired locally and through the Federal Supply Schedule (FSS) which make up about 50 percent of the dollar purchases, were of the same general quality as that obtained through the central depot systems.

Personnel at field stations visited stated that "product quality complaints were insignificant whether brought locally or through the control systems." Why, then, do DOD, VA, and others have to spend millions of dollars to inspect and assure quality when the material they do not inspect is just as good, anyhow? In others words, a DOD inspection added to FDA inspection does not appear to add anything to an FDA inspection, which is required, anyhow.

Mr. SORETT. You have raised the precise issue which caused the Director of OMB to make this requirement and recommendation that there be a consolidation on a Government-wide basis of all quality assurance for these items. We agree with you. We are trying to work this out now.

The CHAIRMAN. On page 8, Mr. Zechman, you state that when you complete this system it should lead to significant economies, not only in drug procurement but also for medical devices and nonperishable food. Since the total dollar value of all of these items was \$1,500 million in fiscal year 1972, the savings would be significant. Do you have any rough ball-park guesses of what percentage savings or what dollar value savings you think or hope may be accomplished or achieved by this?

Mr. ZECHMAN. We do not have any figures at this time, Mr. Chairman, but I think another thing we have to consider here is the important fact that the single system will be completely visible and will provide much more accountability. I wish I could cite a figure but we are talking about a ball park of \$1½ billion to \$2 billion a year. I do not know but even if it is 5 percent, we are talking about close to \$100 million a year, but I am not in a position to say that would be the savings but it is obvious that there has to be some savings in a better managed system.

The CHAIRMAN. Thank you very much, gentlemen. We appreciate your taking the time to come and present your testimony.

Mr. WITT. Thank you, Mr. Chairman.

Mr. ZECHMAN. Thank you, Mr. Chairman.

Mr. SORETT. Thank you, Mr. Chairman.