[Testimony resumes at page 11776. The information referred to follows:]

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

HEALTH AND ENVIRONMENT

24 MAY 1974

MEMORANDUM FOR DIRECTOR, DEFENSE SUPPLY AGENCY

SUBJECT: Quality Assurance System for Centralized Drug Procurement

References: (a) GAO Report entitled "How to Improve the Procurement and Supply of Drugs in the Federal Government," dated 6 December 1973 (OSD Case #3636)

(b) OMB Study Report entitled "Interagency Group Report on Medical and Nonperishable Subsistence Items," dated 4 Jan 1974

Referenced documents contain a recommendation that the quality assurance functions currently performed by federal agencies engaged in the procurement of pharmaceuticals be transferred to the Food and Drug Administration (FDA). The Department of Defense (DoD) position on this matter was presented in testimony before the Subcommittee on Monopoly, Senate Select Committee on Small Business on 5 March 1974. Restated briefly the position is as follows:

> "The department is committed to cooperate with the FDA in developing a drug quality assurance system which will make maximum utilization of FDA capabilities and at the same time accommodate our unique and special requirements."

It is requested that action commence in conjunction with FDA and the Defense Medical Materiel Board (DMMB) to develop a coordinated quality assurance system for drug procurement. This system should utilize FDA capabilities to the fullest extent while affording the same or better protection as our current system at a reasonable cost. It is desired that discussions/negotiations begin as soon as practical with FDA.