

11868 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

approved by the principal participating agencies--GSA, DOD, VA and HEW--and the group became known as the Interagency Medical and Nonperishable Subsistence Supply Management Committee. OMB has oversight responsibility with regard to the Committee's activities.

In November 1974, members of my staff were briefed by GSA officials on the findings and recommendations of the OMB study and on the plans of the Committee. We were asked to provide our observations concerning those plans and in December 1974, we provided GSA with our comments concerning several of the matters then under consideration by the Committee. For example, in the drug area, we pointed out the need for (1) HEW's assurance that adequate staffing and resources would be applied to FDA's new quality assurance responsibilities, (2) up-to-date estimates of Federal requirements for each product to be managed, (3) market research data to aid project managers in negotiating drug contracts and (4) effective controls over the activities of project managers who would be responsible for the procurement of individual items on a Government-wide basis.

We recently met with the Committee's Chairman to discuss the group's progress in establishing a Government-wide management system for drugs. Our discussion with the Chairman and a review of the minutes of Committee meetings and other documents which he provided indicated that although many