

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 11903

requirements of DoD. We also stated that, assuming these requirements were met and the associated costs were reasonable, we were committed to transfer this function to the FDA.

In the fulfillment of that commitment, we met with representatives of the FDA on April 1974 to discuss the possibility of FDA's assuming Defense medical quality assurance activities outside of the United States. The DoD had previously required military Medical Service Corps officers to perform surveys of those plants located in foreign countries that supply active medical ingredients to domestic firms selling pharmaceuticals to the military. After several meetings to discuss the various procedures involved, I am pleased to report that we entered into an interagency support agreement that will rely on the FDA to perform our foreign inspections in the future. We are making a copy of this agreement available for the record. This interagency support agreement was formally signed on 22 October 1974.

During and subsequent to a series of meetings involving foreign inspection, we exchanged information with the FDA concerning our quality assurance program for drugs and other medical materiel. On 24 May 1974 we instructed the Defense Supply Agency (DSA) and the Defense Medical Materiel Board to initiate negotiations with the FDA to make maximum utilization of the resources and facilities of the FDA. A copy of this letter is available for the record. The DSA organized a DoD task group to conduct negotiations with the FDA.