

Alan Goldhammer, PhD
Associate Vice President,
US Regulatory Affairs



0899 5 DEC 20 A9:43
December 16, 2005

Dockets Management Branch
Food and Drug Administration
HFA-305
5600 Fishers Lane
Room 1061
Rockville, MD 20857

Re: Docket No. 2005N-0410. Prescription Drug User Fee Act; Public Meeting, 70 Federal Register 60536, October 18, 2005

Dear Sir/Madam:

The enclosed statement on the above topic was presented at the public meeting on the Prescription Drug User Fee Act held on November 14, 2005. PhRMA represents the country's leading research-based pharmaceutical and biotechnology companies. Our member companies are devoted to inventing medicines that allow patients to lead longer, happier, healthier, and more productive lives. In 2004, our members invested over \$38 billion in the discovery and development of new medicines.

Sincerely,

A handwritten signature in black ink that reads "Alan Goldhammer".

2005N-0410

C4

Pharmaceutical Research and Manufacturers of America

1100 Fifteenth Street, NW, Washington, DC 20005 • Tel: 202-835-3533 • FAX: 202-835-3597 • E-Mail: agoldham@phrma.org

Statement



Prescription Drug User Fee Act Public Meeting

November 14, 2005

Congress passed the Prescription Drug User Fee Act (PDUFA) in 1992 as a reasonable means of improving one aspect of FDA performance, the review of New Drug Applications (NDAs). At the time of passage, the average review time for an NDA had increased to 34 months. David Kessler, who was then the FDA Commissioner, attributed this state of affairs to a lack of trained reviewers within the Agency.

This program was established on two critical concepts:

- First, the legislation authorized the collection of User Fees by FDA to support additional review FTEs. It focused on improving FDA performance only in regard to the timing of new drug reviews. Dr. Kessler committed FDA to conducting reviews using these new staff more quickly than they had been able to in the past. There was no assumption about the likelihood of approval for new drugs.
- Second, user fees were intended to augment FDA's appropriated budget, not replace it. PDUFA funds are user fees specified for improved drug review services, not taxes, and cannot be used to fund other government obligations and functions. The PDUFA program was established with certain bedrock safeguards to assure that user fees would be additive to FDA's base budget and that the fees would be dedicated to the review and approval of new drugs. It is critical that Congress provide adequate base funding for FDA's non-PDUFA activities.

These are reasonable and sound principles that must be maintained.

The framers of PDUFA were careful to establish the system of accountability to Congress for FDA performance as a basis for continuing the program. The goals and results are transparent to all stakeholders. FDA's performance in meeting PDUFA goals has been excellent. The initial PDUFA, enacted for 5 years, was reauthorized first in 1997 as part of the Food and Drug Administration Modernization Act and then a second time in 2002.

The increased staff hired under PDUFA-I eliminated the backlog of pending applications at the Agency successfully improved the timeliness of NDA review. The performance goals brought the action time, the period needed to thoroughly review an NDA for safety and efficacy, down to the statute specified six months for priority applications. For standard submissions it improved to twelve months.

The first reauthorization, PDUFA-II improved the drug development process by adding more structure to sponsor interactions with the Agency. Resources on top of those already provided by PDUFA-I were given to the FDA in return for agreed upon metrics governing sponsor meetings, reviews of clinical holds, reviews of research protocols, and simplified action letters.

Pharmaceutical Research and Manufacturers of America

1100 Fifteenth Street, NW Washington, DC 20005 (202) 835-3400

In addition, funding was committed to improving the information technology (IT) infrastructure of the Agency, providing the basis for electronic regulatory submissions. Finally, the time to review a standard NDA was shortened from twelve to ten months, closer to but still longer than the 180 days specified in the 1962 Act.

PDUFA-III preserved all the previous agreements, continued the funding for IT and, for the first time, committed funding to certain post-approval activities associated with managing the risks of newly marketed drugs. In return for increased staff in the Office of Drug Safety, the Agency issued three Guidance documents in the area of pharmacovigilance and risk management. Further, FDA committed to review certain drug safety information prior to drug approval and discuss with sponsors risk management plans and potential post-approval safety studies. FDA also agreed to review sponsors' implementation of risk management plan activities for a period of up to two years post-approval for most products (three years for certain products.) Finally, FDA committed to use additional personnel to enforce regulations on post-marketing adverse event reporting to ensure that submitted reports are accurate, timely, and complete. In addition to these safety oriented metrics FDA committed to and issued Guidance on Good Review Management Principles to better harmonize practices within and between the various review divisions.

As the User Fee program nears the end of the third five-year term, it is important to consider the value the program has brought. FDA and society have realized nearly all the benefits envisioned for PDUFA when Congress originally enacted it in 1992:

- FDA has been able to use the additional funds from PDUFA to increase the number of scientific review staff, augment post-marketing safety surveillance activities, and improve the internal Information Technology (IT) infrastructure of the Centers responsible for reviewing new products;
- Pharmaceutical companies are able to bring drugs to patients more rapidly with more consistency and predictability in the regulatory process; and
- Most importantly, patients are getting faster access to much needed medicines, improving their health or quality of life.

All of this has been accomplished while the expectations on the extent of safety data to support an approval has continued to grow, and while maintaining the FDA's highest quality standards.

As we consider PDUFA-IV, we should keep in mind that the accountability requirement associated with goal setting, and measurement of performance against these goals continues to be an important aspect of this program. Goal setting enhances performance; every good manager knows that you get what you measure. There is an ongoing expectation within industry research and development organizations that they properly account for resource utilization. FDA needs to continue to do the same. The challenge of the future should be to minimize the work necessary to document the achievement not reduce the goal setting.

It is entirely within our capabilities to establish a means whereby the FDA can maintain their performance-based environment, and collect data on their performance against these

objectives in a less time consuming manner. This is fully consistent with FDA's plan to be able to receive all submissions electronically. Certainly, the electronic submission requirement can be married to an easier electronic record keeping capability. There are still efficiencies to be gained from enhancements and refinements of the existing systems, especially the use of the electronic environment. Implicit in these gained efficiencies is savings in manpower and funds that can then be used to expand FDA's activities in other areas.

Over the PDUFA program the FDA has had the opportunity to collect significant data and analysis of it will assist it in working towards the implementation of a quality system program that should improve the consistency of the review process. Additionally, a complete analysis of first cycle reviews by FDA will provide important lessons to both the Agency and pharmaceutical companies about those issues that contributed to NDAs not receiving approval on the first cycle and multi-cycle reviews.

We must also continue with the work begun in PDUFA-III on the usefulness of risk management plans. FDA should facilitate the appropriate use of company-submitted risk management plans so that the approval of critical new medicines is not unduly delayed.

The Best Pharmaceuticals for Children Act (BPCA) and the Pediatric Research and Equity Act (PREA) will also come up for renewal in 2007. The incentive provision of the BPCA has worked as intended and the number of new pediatric studies has increased markedly. Under the BPCA FDA has issued 307 written requests for pediatric studies, 251 of these were initiated by company proposals. To date, 93 drug labels have been updated with new pediatric information. Clearly the legislation has worked and should be reauthorized as well.

Continuation of the positive results of the PDUFA program achieved to date cannot become a reality without a continued commitment to a User Fee program, a commitment from Congress to fully support the base appropriations, the promise of continuous improvement in the drug development process by the industry, and continuous improvement in the review process by FDA scientists. Patients and the public as well as industry need the assurance of an unambiguous, consistent, predictable set of standards in developing the drugs of the future. FDA needs the assurance of adequate staffing and resources so that drugs now in development and NDAs before the Agency can be reviewed in a timely way. Without the continuous assurance of PDUFA funds, opportunities for continued improvement in drug safety programs will not be possible. Without a continuous assurance of PDUFA goals, there is an uncertain future for the pharmaceutical industry as it moves forward to turn the scientific breakthroughs that occur each day into pharmaceutical products for patients in need.