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Food and Drug Administration
FY 2001 Congressional Budget Request

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases/ Decreases	FY 2001 Request
Direct Appropriation	$1,091,616	$1,186,807	$1,183,830	$122,348	$1,306,178
Salaries & Expenses	*$969,101*	*$1,041,373*	*$1,038,396*	*$118,509*	*$1,156,905*
PDUFA	*$122,515*	*$145,434*	*$145,434*	*$3,839*	*$149,273*
Buildings and Facilities	16,178	11,350	11,350	20,000	31,350
Other user Fees [1]	22,199	19,724	19,724	33,579	53,303
Total, FDA	$1,129,993	$1,217,881	$1,214,904	$175,927	$1,390,831
FTE, Total FDA	*8,910*	*9,029*	*9,009*	*501*	*9,510*

[1/] Includes current law user fees for Certification Fund, Mammography Quality Standards Act, and Export Certification, proposed additive user fees and the Transfer of Seafood Inspection Program for FY 2001. The Seafood Inspection Program is not new revenue to the Government, having been user fees previously collected by the Department of Commerce (DOC). In FY 2001 these will be collected by the Department of Health and Human Services (DHHS).

EXECUTIVE SUMMARY

Americans rarely experience their government at its best in ways that are as personal, meaningful, and cost effective as the round-the-clock public health protections provided by the Food and Drug Administration (FDA). FDA protects all consumers in the United States with a broad umbrella of safeguards that enable them to go about their daily business without worries about the safety of the myriad of products FDA regulates – from the foods we buy and eat, to the medicines and vaccines we take, to the modern conveniences that emit radiation, such as microwaves that we use, to the medical devices, blood and blood products used in hospitals, to animal drugs and feeds, and even cosmetics.

The FY 2001 President's budget request for FDA is $1,390,831,000 an increase of $175,927,000 over the FY 2000 enacted level. This budget continues the emphasis on the dual goals of FDA – ensuring the highest level of safety for marketed products (postmarket), and ensuring timely availability of safe and effective new products that benefit the public (premarket) – which allow our nation to continue as the world leader in new product innovation and development. The request focuses on Assuring Safety through Strengthened Science, as well as ongoing Special Initiatives. Initiatives include:

· $22.9 million to further reduce the time needed to get safe and effective products to market;

- $10.0 million to help stop the illegal sale of drugs over the Internet;

- $12.8 million to reduce the number of Americans who die annually from medical errors, currently estimated at 100,000, by improving adverse event report systems;

- $3.1 million to improve adverse event reporting for dietary supplements and animal drugs;

- $13.5 million to better ensure the safety of products on the market, and get closer to statutory compliance by conducting more inspections;

- $20.0 million to better ensure the safety of imports by replacing the unacceptable Los Angeles laboratory facility;

- $5.0 million to move the Center for Food Safety and Applied Nutrition to its new facility;

- $4.8 million in increased rent charges from GSA;

- $37.3 million in proposals for new user fees and continuations of existing ones to further improve performance;

- $30 million to continue reducing illness and deaths resulting from contaminated food;

- $5.0 million to expand efforts to prevent children from using tobacco; and

- $11.5 million to ensure expeditious development and licensure of vaccines to be used in response to possible bioterrorist attacks.

FDA's Challenges

Traditionally, FDA has focused on assuring safety through its core activities of premarket application review and postmarket surveillance. However, as we move into the 21st century with the explosion of new technologies and ever-growing threats to the public health, it is clear that our ability to assure safety is directly linked to maintaining a strong science base that keeps pace with accelerating technology. FDA must remain current in science to fully understand the risks associated with such new products, so as to formulate regulations leading to greater safety assurance. To illustrate: In the past twenty years expenditures in drug research have increased seven-fold; the drug discovery process is being driven by major breakthroughs in both biotechnology and information technology; medical device technology has shifted from x-rays and CAT scans to also include robotics, miniaturization and bio-materials; trade and the standards that guide it have become increasingly globalized; and consumers' purchasing cues have shifted dramatically from traditional print and electronic media to the Internet.
The Agency's stakeholder community is essential to the success of managing this complex range of product risks. To perform its regulatory role effectively, and to ensure a level playing field,

FDA will join forces with its regulatory and health partners to rapidly recognize, and then minimize, threats to product-related public health and safety. The Agency will be unable to address 21st century consumer protection challenges by working independently.

The challenge of an ever growing myriad of new products, means that FDA must strengthen its activities across the entire spectrum of product development and regulation. Premarket approvals are not a single event that the Agency undertakes. The Agency communicates with industry prior to submission of applications. This guidance improves the quality of submissions received and helps reduce product development times. Once a product is marketed, FDA must monitor it – this includes analyzing any adverse event reports that occur, inspecting the facilities that manufacture the product, and taking necessary action to remove a defective product from market.

FDA must address an environment – both domestically and internationally – that continues to broaden in scope and complexity. The strategies reflected in the FY 2001 budget represent the persistence of challenges that FDA faces every year. These strategies will begin but will not be completed in the short run because of the continuing dynamic of the science, trade, and regulatory environment. FDA's long-term goal is to strengthen its science base to intelligently regulate in an environment of increasing complexity.

This budget request begins to bring FDA into the 21st century – a century with unforeseeable possible advances as a result of science and technology – with a strong, focused emphasis on managing risk, developing science within the Agency, and pursuing leveraging opportunities with industry and academia.

FDA Accomplishments

The Agency has several broad-reaching accomplishments that have been possible with increases provided by Congress, as well as focused efforts by FDA. The end result is that safe and effective products get to market much more quickly.

Prescription Drug User Fee Act (PDUFA). In the premarket arena, as a result of PDUFA and diligent efforts by the Agency, drugs are now being reviewed as fast or faster than anywhere in the world, allowing patients to reap the benefit of having new and innovative safe and effective medical products on the market more rapidly. Industry has similarly benefitted far beyond its user fee investments paid to FDA. FDA is on track to meet or exceed all performance commitments associated with PDUFA for FY 2000.

Food Safety Initiative. FDA, in collaboration with Centers for Disease Control and Prevention (CDC), US Department of Agriculture (USDA), and State and local governments, continued progress towards development of a plan for a nationally integrated food safety system. All three 1999 milestones have been completed: Creation of a coordinating body to focus on a vision and next steps; establishment of work groups to draft proposed plans and projects; and solicitation of input from stakeholders. FDA has completed a method to detect as many as 13 foodborne

pathogens from one sample, resulting in faster hazard detection and removal of potentially dangerous foods from the market place. The funding support to date has allowed for mechanisms that have been remarkably successful – several outbreaks of foodborne illness have been shortened; the result is fewer deaths and illnesses.

Important New Products. FDA has other successes in the product review area. Not only are an increased number of new products brought to market, but many of these products represent significant advances over those that were previously available. Recent approvals include new therapies for osteoarthritis, influenza, obesity, HIV, and diabetes. FDA has also reviewed new clotting agents for patients with hemophilia A, a new imaging device for the diagnosis of breast cancer, a new device for removing blood clots from blocked arteries, a new biological treatment for non-Hodgkins lymphoma, and major vaccines approved for Lyme disease, rheumatoid arthritis and blood disorders. Funding provided by Congress in FY 2000 will further these successes across all product areas.

Streamlining Premarket Activities. FDA has completed several reinvention efforts to streamline the premarket review process to accelerate review times for important new medical devices and animal drugs. These efforts relied on collaboration with health professionals and industry to assure public health and safety before and after market entry.

FDA Modernization Act (FDAMA). The Agency has successfully implemented FDAMA. The FDAMA Statutory Compliance Plan provides a strategic blueprint for our future direction, and identifies the gap between the Agency's current capacity, and the goals of statutory requirements and public expectations. FDA is implementing many suggestions to improve our processes and thereby our effectiveness, and is fully committed to interactive dialogues with our many stakeholders. Two themes that have emerged from stakeholder interactions are the need to strengthen the science and analytical base of the Agency for making regulatory decisions, and the need for improved communications, including maximizing the availability and clarity of information for consumers about new products and for industry about review processes. FDA has already made considerable gains in these areas and plans to build upon them.

FY 2001 Budget Request

Despite notable successes, there are important areas where FDA can and should do a much better job to assure safety through a strengthened science base. The FY 2001 budget requests the resources necessary for its core activities of premarket review and postmarket surveillance. The majority of the request clearly focuses on postmarketing activities. With the tremendous growth in new product development applications, the need for FDA to bolster its activities post-approval is critical. The following table shows our request by initiative, by program, and by a premarket and postmarket split.
Insert table showing budget authority increases by program, initiative, and by pre/postmarket.

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES

Bringing Products of New Technology to Market + $22.9 million, 63 FTE

Problem Identification: As technologies emerge at an increasingly rapid rate, FDA is challenged to keep pace with scientific advances while at the same time making prompt regulatory decisions. Delays in getting new products to market can postpone critically needed treatment, especially for a growing population of elderly and immune-compromised patients. In many of these new product areas, FDA does not possess an efficient and flexible review process coupled with "cutting edge" reviewers that will lead to an environment with industry that fosters innovation.

Proposed Response: FDA's request will be used to strengthen its science base with a focus on efficiencies in the premarket application review program. FDA must have well-trained and professionally respected scientific experts who can effectively review cutting edge technology. FDA efforts will:

- Enhance scientific capabilities to better manage risks associated with emerging **biotech foods**. FDA and industry have consulted on approximately 40 new bioengineered food products to date.

- Expedite reviews of **generic drugs** (versions of drugs already in the marketplace).

- Reduce review times for **animal drugs** for quicker market access.

- Improve the safety of **children's vaccines** through the National Vaccine Safety Program (NVSP), which will reduce the risk of disease transmission through vaccines.

- Improve the quality and safety of the nation's **blood supply** with better diagnostic tests that reduce the threat of emerging blood-borne infectious diseases being transmitted through blood.

- Improve **pandemic flu** activities to reduce the incidence and severity of influenza.

- Increase product review activities and develop standards for high-risk **medical device re-use** applications for reprocessed devices meant for single use.

Outcomes:

- Continue the trend where important new therapies routinely appear first in the American market due to the efficiency of the US product development process and the timely FDA regulatory response to this effort.

- Provide a predictable review process that will ease the burden on regulated industry by making clear what is expected and when.

- Continue US leadership in providing the quickest possible consumer and patient access to new products.

POSTMARKET INITIATIVES

Internet Drug Sales + $10.0 million, 77 FTE

Problem Identification: The Internet, while promising enormous benefits to business and consumers, is also being used by unscrupulous individuals to unlawfully promote and sell approved and unapproved prescription drugs to consumers. State and Federal laws require that certain drugs be dispensed only with a valid prescription, because they are not safe for use without the supervision of a licensed health care practitioner. Generally, before the practitioner issues a prescription for a drug the patient has never taken before, he or she must first examine the patient to determine the appropriate treatment. Patients who buy prescription drugs from Websites operating outside the law are at increased risk of suffering life-threatening adverse events, such as side effects from inappropriately prescribed medications, dangerous drug interactions, contaminated drugs, and impure or unknown ingredients found in unapproved drugs.

During FY 1999 illicit or illegal sites grew dramatically, and we anticipate that they will continue to increase in the coming years. As a result, there has been an increasing public call for greater FDA action.

Proposed Response: During the first quarter of FY 2000, FDA devoted over 30,000 staff-hours to investigate the hundreds of illicit Internet sites by reassigning investigative staff from other high priority efforts. That effort is inadequate to deal with the growing problem and has diverted resources from other critical public health objectives.

In FY 2001, FDA's overall goal is to reduce the illegal promotion, sales, and distribution of approved and unapproved prescription pharmaceuticals via the Internet. This action will protect consumers from obtaining unsafe, ineffective, and fraudulent products that present a real danger to the public health. FDA plans to enhance its enforcement effort of Internet sites that violate Federal laws relating to prescription drugs, and will also undertake a greater public education campaign to help consumer's shop wisely for approved prescription and non-prescription pharmaceuticals online.

FDA's strategy focuses on putting a halt to illicit or illegal activity by identifying the pharmaceutical Internet sites that pose the greatest threat. The Agency will use prevailing Internet hardware and software to carry out surveillance and investigative activities, and will focus on sites identified by FDA investigators, and those sites reported by consumers via FDA's

Internet site (http://www.fda.gov/oc/buyonline/buyonlineform.htm). FDA will support a rapid response team to deal with these sites. FDA intends to work closely with State authorities on issues that affect the practice of pharmacy or the practice of medicine. FDA's close coordination with State regulatory officials and other Federal agencies will allow the Agency to leverage resources and expedite the process of eliminating fraudulent activity on Internet sites.

FDA's goal is to eliminate domestic Internet sites that sell illegal or potentially dangerous drugs to US consumers, and to stop the importation of such drugs from foreign countries. The Agency will work with the US Customs Service, the Drug Enforcement Administration, and the Postal Service to monitor prescription drug imports coming into this country from all sources.

Outcomes:

- Reduce the fraudulent distribution and sale of unapproved, misbranded, and possible counterfeit prescription drugs to consumers.

- Reduce the sale of prescription drugs without a legitimate prescription.

- Reduce practices that promote the sale of prescription drugs where there is no physician-patient relationship.

- Reduce the health risks to individuals ordering pharmaceuticals.

Medical Errors + $12.8 million, 25 FTE

Problem Identification: A recent study by the Institute of Medicine (IOM) estimates that close to 100,000 Americans may be dying each year as a result of preventable medical errors because of failures within the complex systems of modern health care. Doctors, nurses and other health professionals represent the human component of the system. The rest of the system is largely comprised of a vast array of drugs, medical devices, blood and other biological products that are regulated by FDA. While the causes of medical error cover a broad spectrum, from errors attributable to only human mistakes, to errors that are almost entirely attributable to a medical product, most medical errors involve health professionals and the use of medical products. FDA's workload will surely increase as a result of the rising number of new drugs on the market and new surveillance initiatives.

Proposed Response: FDA and other agencies within DHHS are working with Departments across the Federal government to improve health care through the prevention of medical errors and enhancement of patient safety.

Features that contribute to errors in actual product use are not always identifiable before FDA approval. Once products are widely used in today's complex and fast-paced healthcare delivery system, these "human factors" can emerge as safety risks. The Agency has surveillance systems

(Adverse Event Reporting Systems – AERS) to **find harm** resulting from use of FDA-regulated products, including reports from hospitals and other facilities and spontaneous reporting from health care professionals. When alerted to problems with a product, the Agency acts to **understand harm** with a thorough safety analysis by medical and scientific experts. The analysis identifies critical factors causing the problem, and may identify product features and safety procedures that should be changed. FDA may then take action to **prevent harm** to other patients, including communicating to doctors, other health professionals, and patients. If necessary, FDA may require changes to the medical product. The "lessons learned" about safe product features are also incorporated into the Agency's review of future products.

Recent and dramatic increases in the numbers of newly-approved drugs and other products, increases in patient use of medical products, and continuing time and cost pressures on health care providers, have raised the level of risk for human error in the use of medical products. FDA receives over 300,000 Adverse Event Reporting System (AERS) reports each year, but the data cannot yet be adequately sorted and analyzed in a timely manner. Automation is necessary to make this system more effective.

FDA needs to increase its capabilities to protect patient safety in each of its three safety activities. The request includes an additional $12.8 million which would allow FDA to speed initiatives to further reduce medical errors over the next few years.

Outcomes:

- Estimated costs for these medical errors are as high as $80 billion a year. If we reduce the incidence of these errors by only 10 percent, not only will we save lives, but we will reduce cost burdens on the health system by $8 billion a year.

- Build more capacity for active surveillance of problems with medical products through the Adverse Event Reporting Systems across the Agency.

- Develop links to hospital-based information systems, to better support hospital staff working on the "front lines" of patient safety. This includes improving the reporting systems for blood errors and accidents, continued implementation of the Medical Device Surveillance Network (MeDSuN) to address under-reporting and incomplete reporting of medical device problems, and to extend its capacity to include drug reports, as well as increased use of other electronic systems to monitor problems with use of drug products.

- Increase FDA's capacity to do the multi-factor analysis to correctly identify the sources of safety problems and potential solutions. This includes establishing links to safety databases maintained within community-level healthcare delivery systems and regional-level safety surveillance systems, and adding to expertise in medical epidemiology and statistical analysis.

· Increase FDA's capacity to act on safety findings, including better risk communication to providers and patients who use medical products; regulatory steps to correct product design and manufacturing problems; and partnerships with other health agencies and health care organizations.

Adverse Event Reporting System (AERS) – Dietary Supplements ($2.5 million, 2 FTE) and Animal Drugs ($0.6 million, 3 FTE)

Problem Identification: Dietary Supplements (Foods) – The dietary supplement industry is one of the fastest growing industries in the world. Dietary supplement sales have nearly doubled in the past five years and one study estimates that sales will increase by over 90 percent over the next six years. Surveys show that over half of the US population now uses some type of dietary supplement, spending over $12 billion per year for such products.

Dietary supplements are not subject to premarket safety review or approval by FDA. Moreover, dietary supplement manufacturers are not required to report adverse events associated with the use of their products. Recent experiences with serious adverse events – including deaths associated with the use of dietary supplement products like ephedra, digitalis-contaminated plantain, and others – underscores the severity of the situation. Because of the large number of new products entering the marketplace and the growing number of American consumers using these products, the risk of adverse events such as these is growing exponentially.

FDA's ability to monitor the safety of dietary supplements is dependent on the Adverse Event Reporting System. Unfortunately, the system is outdated and does not permit FDA to adequately monitor and evaluate adverse events associated with the use of dietary supplements.

Animal Drugs – The animal health industry and veterinary professionals rely on information gathered on the safety and effectiveness of marketed products in general animal population use. Information is gathered on over 1,200 products through 12,000 adverse experience reports annually. Because FDA does not have the resources to process all reports in a timely manner, and currently has a backlog of 6,000 AERS reports, reports must be triaged, and only the most serious health hazards are evaluated.

Proposed Response: Dietary Supplements – FDA will enhance its system for monitoring and evaluating adverse events associated with the use of dietary supplements with an integrated science-based system that will provide a faster, more efficient way to evaluate adverse reports and shorten the time needed for taking responsible action that could save lives.

Animal Drugs – Funding will provide for additional document processing staff, and maintenance and enhancements for the Center for Veterinary Medicine AERS Oracle database to improve efficiency in data entry and evaluation. As a result, FDA will be equipped to reduce the currently existing backlog of adverse event reports related to animal drugs.

Outcomes:

- Dietary Supplements – Provide greater assurances to consumers that problems will be identified and action taken promptly. Provide access to data through the FDA Home Page.

- Animal Drugs – Reduce in-depth review times for pending AERS reports with added contractual support staff and database enhancements. This will reduce the existing backlog of reports and improve the quality of assessing and managing risk identified from AERS reports related to animal drugs.

Inspectional Activities + $13.5 million, 89 FTE

Problem Identification: FDA's ability to physically verify the safety of domestic and imported products has eroded considerably in all product areas, even as consumer expectations continue to rise. This level of effort is also falling significantly short of the minimum inspection obligations required by the FDA Modernization Act.

FDA inspections, laboratory analysis, and related surveillance activities are the primary means of assuring safety once products are in use by consumers. Despite their effectiveness as both corrective and preventive public health tools, America relies on significantly fewer inspection-based quality assurance programs than many other industrialized countries. New technologies, international regulatory commitments, and increasing coordination with State partners require new and challenging expansions of FDA's traditional inspection role. Import entries alone increased 14 percent in FY 1999, and over all, less than one percent of import entries are physically examined. Even in conjunction with its State regulatory partners, FDA is able to annually inspect less than a third of the domestic firms within its purview. The number of FDA inspections for foods, drugs, and devices (excluding mammography), foreign and domestic, including inspections by State agencies under contract to FDA has decreased from 28,000 to 22,000 between 1991 and 1999. This decrease of 6,000 inspections, or 21 percent, reflects the impact of the time required to perform the complex science based inspections now necessary to assess safety, and the almost static level of investigational personnel in the past eight years. In the area of imports, the total volume of FDA-regulated imports is estimated to exceed $50 billion per year. Imports continue to grow in volume, complexity, and diversity of sources.

Proposed Response: FDA will utilize the $13.5 million in additional funding to make modest improvements in statutory inspection coverage through additional FDA inspections and the use of leveraging and expanding existing State contracts. The requested funds will prevent the FDA from falling behind the FY 2000 level of inspectional effort and offset absorptions of inflationary increases.

Outcomes:

- Conduct more inspections for Human Drugs, Biologics, Animal Drugs and Medical Devices, where the law requires specific inspection frequency.

- Expand State contracts to further leverage inspectional coverage in all program areas.

- Improve the existing levels of annual inspectional coverage.

Buildings and Facilities (Los Angeles Laboratory) + $20.0 million

Problem Identification: FDA's field laboratories provide critical laboratory and analytical support to the domestic and import inspection effort and are a key element in the science base of FDA. One of the key field laboratories in the FDA inventory is located in Los Angeles, CA. The existing Los Angeles laboratory is an outmoded facility in a high crime area. The Los Angeles District annually reviews nearly 1.2 million import line entries, almost 24 percent of the Agency total. In FY 1999 alone, the Los Angeles laboratory analyzed 22.9 percent of the imported Foods samples taken by FDA.

FDA cannot remain in the present Pico Boulevard facility. If funding is not provided, the Agency will have to shift work to laboratories in other states, further from the point of entry. This will inevitably have a significant negative impact on FDA's import surveillance capability, and on the southern California food import industry.

Proposed Response: FDA will utilize the $20.0 million to fund a portion of the construction of the Los Angeles Laboratory and Office project. This first phase will construct the core and shell of the project.

With funds from a previous appropriation, the FDA purchased land and contracted with a firm to develop a design concept for the replacement laboratory and district office, housing 75 laboratory staff and 120 office personnel. Design work is essentially completed. Estimated construction cost totals $43.0 million which includes laboratory casework, fume hoods, construction management, and escalation costs due to phased construction. The budget requests the remaining $23.0 million as an advanced appropriation for FY 2002.

Outcomes:

- Consolidate three Los Angeles district sites (the laboratory on Pico Boulevard, the current district office in Irvine, and the San Pedro Resident Post) into one location, replacing three existing leases totaling $2 million annually.

- Provide a safer location and a vastly improved working environment for FDA employees and partnering State laboratory personnel

· Provide a concentration of scientific talent available which will permit better management of the analytical workload and will provide significant improvement in operational efficiency, especially during emergencies.

College Park Relocation + $5.0 million

Problem Identification: Construction on the Center for Food Safety and Applied Nutrition facility in College Park, Maryland is scheduled to be completed in FY 2001.

Proposed Response: In FY 2001, FDA requests funds for one-time costs to equip and occupy the facility located in College Park, Maryland. The FY 2001 requested funds will support telecommunications equipment and necessary connections, and moving costs.

Outcome:

· Begin relocation of the Center for Food Safety and Applied Nutrition to a new state-of-the-art facility scheduled to open in 2001.

· Consolidate most Center activities in one location, resulting in more effective and efficient operations.

GSA Rental Payments + $5.0 million

In FY 2001, FDA requests an increase of $5.0 million, for a total of $105.0 million, which includes $99.1 million in Salaries and Expenses and $5.960 million in PDUFA funds. FDA's Other Rent and Rent Related account remains at $25.855 million.

USER FEES

Proposed New User Fees

FDA is requesting $19.5 million in new additive user fees for premarket review of direct food additive petitions, food export certificates, and medical device review of 510(k)s.

Direct Food Additive Petition User Fees + $8.4 million, 55 FTE

Problem: FDA has made recent improvements in reducing direct food additive petition review time, while still assuring safety, but more needs to be done. Food safety technology is continually moving toward more complex food additives.

Proposed Response: Some industry support exists for additive user fees for food additive petitions. The food industry has indicated that its objective is to have a food additive approval process that can regularly deliver high quality and timely scientific reviews and decisions on food

additive petitions so that food safety is protected and innovation in food technology is not deterred by the regulatory process.

These proposed fees would supplement rather than replace funding from general revenues for review of direct food additive petitions. Additional resources would enable the Agency to take a number of steps to improve its review of products, including enhanced training to support the scientific expertise of reviewers that need to keep pace with increasingly complex products, and pre-filing consultations with petitioners.

Outcome:

- Provide a stable source of revenue that ensures the timely review of scientific safety data.
- Provide FDA with the resources necessary to make significant progress toward meeting its petition review goals.
- Improve review performance will help maintain consumer confidence in the safety of direct food additives and gets new, safe products to market much more quickly.

Food Export Certificate User Fees + $5.3 million, 23 FTE

Problem: Collection of user fees for export certificates for human drugs, animal drugs, and devices is authorized in Section 801 (e)(4)(B) of the Federal Food, Drug, and Cosmetic Act (the Act). However, this section does not cover collection of user fees for export certificates for foods. FDA expends significant resources for these certificates.

FDA Response: Food exporters are required to comply with an increasing number of European Union (EU) requirements for certificates attesting to the safety of animal-derived foods. Such certificates attest to product compliance with EU directives and standards, not FDA regulations. In order to provide such certificates to US food exporters, the Agency may need to conduct more frequent inspections or analyze products for the presence of substances that may not be considered significant public health risks in the US. FDA would like to recoup the costs incurred as a result of such inspections or laboratory analyses, and administrative costs associated with issuance of export certificates.
FDA currently issues export certificates for foods when requested by an exporter. Collection of user fees for food export certificates will enable the Agency to fully support this program through these fees and limit the current redirecting of existing monies from other food safety programs. FDA expects to issue approximately 30,000 export certificates per year at a cost of $175 per export certificate under this provision. This would yield $5.25 million per year in revenue. Private sector exporters would bear the cost of the program and reap the benefits through the Agency's enhanced ability to facilitate product exports in compliance with the importing countries' requirements.

Outcome:

- Collect user fees that will enable FDA to provide food export certificates in a timely manner, without impacting other food safety initiatives.

- Improve the ability of food producers to export their products, thus enhancing the global competitiveness of US industry.

Premarket Medical Device Additive User Fees + $5.8 million, 30 FTE

Problem Identification: Medical device manufacturers currently face a significant financial disincentive to use the third party review option created by FDAMA. Ninety-seven percent of the firms, mostly small businesses, facing the choice between out of pocket expenses for a third party review or the free FDA review, opt for the least cost option of FDA review. FDA currently faces a workload/staffing imbalance which limits the Agency to achieving final actions within 90 days for only 70 percent of all 510(k)s.

Proposed Response: FDA will provide services and funding that will rapidly transform the fledgling market for third party reviews into a mature and self-sustaining service industry. User fees will provide funding support that will alleviate the perceived cost barrier to third party review. FDA will also apply user fee revenue to reduce information barriers to third party review by constructing a virtual electronic marketplace where fully informed applicants can quickly weigh cost and performance options offered by different third parties and initiate their desired review option.

This user fee mechanism will likely be only a temporary incentive that will prove unnecessary after third party reviews mature to demonstrate their positive impact on more timely market access.

Outcomes:

- Encourage a majority of medical devices eligible for third party review to use this mechanism and thereby rapidly mature this service.

- Bring the volume of reviews to a level that will yield economies of scale, closely competitive pricing, and performance substantially quicker than in-house FDA reviews.

Proposed Transfer of User Fees

Seafood Inspection Transfer + $12.7 million, 139 FTE

FDA is requesting the transfer of the Seafood Inspection Program currently under the US Department of Commerce. The program under the Department of Commerce is authorized to collect user fees of $12.7 million derived from the seafood industry for services. The program

provides voluntary inspections and certification services for fish and fishery products on a fee-for-service basis and addresses issues of wholesomeness, economic integrity and quality. Legislation is being developed to transfer the program to FDA.

Current Law User Fees + $5.2 million

Current law User Fees total $170.4 million, include Prescription Drug User Fee Act (PDUFA) fees of $149.3 million, Mammography Quality Standards Act (MQSA) fees of $15.1 million, Export Certification Fees of $1.5 million, and Certification Fund of $4.5 million.

PDUFA was reauthorized for an additional five years by the FDA Modernization Act (FDAMA), signed on November 21, 1997. FDAMA provided substantial additional resources and staffing to accelerate the drug evaluation process without compromising review quality. FDA has developed a five-year plan for the strategic management of PDUFA II. This document, updated annually, will provide a blueprint to assure that PDUFA II achieves the same levels of success as PDUFA I. This increase includes $0.2 million in GSA rent for space utilized in support of PDUFA.

FDA proposes to revise the distribution of projected spending of PDUFA fees for FY 2001 among the Human Drugs, Biologics, and Other Activities programs to reflect recent patterns of actual spending within the PDUFA program. This is similar to reallocations approved by the Appropriations Committees in both FY 1998 and FY 1999, and will not increase FDA's total spending for Other Activities. The net change for this reallocation is zero.

The reallocation within PDUFA is necessary to assure that PDUFA fee revenues are used to pay their fair share of the costs of FDA management (Other Activities). To make this change permanent, our FY 2001 budget request reflects our proposal to fully utilize these funds for Other Activities and possibly avoid a reprogramming request later in the year. This $5 million of Salaries and Expenses funds will be made available to FDA operating programs (excluding Tobacco), as a partial alleviation of the cost impact of the recent 4.8 percent general pay raise.

The Mammography Quality Standards Act of 1992 was reauthorized in 1998 for an additional five years (P.L. 105-298). MQSA required that mammography facilities be certified by October 1, 1994, to remain in operation and inspected annually to ensure compliance with national quality and safety standards. FDA requests an increase of $0.3 million in MQSA authorized inspection user fees to cover inflation, for a total of $15.1 million and 50 FTE in FY 2001. The fees collected will pay for the costs of the inspections.

Other authorized user fees include $1.5 million and 13 FTE for Export Certification, and $4.5 million and 35 FTE for color certification activities. We are requesting an increase of $1.1 million to cover inflation and projected workload growth for these activities.

SPECIAL PROGRAM INITIATIVES

Dollars in Thousands	Foods	Human Drugs	Biologics	Animal Drugs	Medical Devices	NCTR	Tobacco	Total
Food Safety Initiative	$21,600	$0	$0	$6,400	$0	$2,000	$0	$30,000
Youth Tobacco Prevention	$0	$0	$0	$0	$0	$0	$5,000	$5,000
Bioterrorism	$1,200	$1,200	$6,500	$800	$800	$1,000	$0	$11,500

Food Safety Initiative + $30.0 million, 131 FTE

Problem Identification: The world of food has changed significantly and the methods used to assure a safe food supply must change as well to protect the American consumer. Food contamination can happen anywhere along the farm-to-table continuum, which starts with production from meat, poultry, agriculture, dairy and produce farms, continues with processing and distribution, to the retail level (restaurants, grocery stores, daycare establishments, institutional settings), and ends with handling and preparation by the consumer, with transportation occurring between each step.

Consumer diets are more varied and include foods that are more susceptible to foodborne pathogens. In the 1940s, the average consumer diet consisted of meat and potatoes, which were locally grown and produced, plus canned vegetables. In addition, only a few pathogens were typically found in foods. In the 1990s, diets have changed to include more seafood, fresh domestic and imported produce, and convenience or ready-to-eat foods. Also, a much larger percentage of meals are prepared and consumed outside the home. Vulnerable populations have increased to as much as 25 percent of the US population to include pregnant women, children, the elderly, and immuno-compromised persons. Finally, the number of identified pathogens found in food has more than tripled. But more importantly, these pathogens are more deadly. Foodborne pathogens used to cause stomach aches and diarrhea; now they cause severe, life-threatening illness, and sometimes kill.

Proposed Response: The Food Safety Initiative represents a multi-year, inter-agency effort to improve food safety. This initiative has successfully built a strong foundation for a science-based, integrated food safety system, and has promoted partnering among the key Federal agencies (FDA, CDC, and USDA), States, academia, industry, and consumers. A total of $30.0 million is requested for FY 2001 toas follows:

· Expand domestic inspections to ensure annual inspections of all high-risk food establishments and enhance laboratory capabilities for the analytical support associated with inspectional activity.

- Implement State audit programs to ensure consistent application of regulations and develop consistent nationwide standards for on-farm preventive controls for egg producers and food handling practices at retail.

- Implement the Hazard Analysis Control Control Point (HACCP) system for fruit and vegetable juices.

- Develop and evaluate on-farm intervention strategies and/or technologies to improve testing methodologies for *Salmonella Enteriditis* (SE) on the farm and in eggs, evaluate commercial processing technologies and practices, and conduct research to understand the ecology and epidemiology of SE in the hen and farm environment.

- Complete the National Antimicrobial Resistance Monitoring System (NARMS) by adding national and international data collection sites as well as including major species of micro-organisms that cause foodborne disease.

- Target areas of greatest risk through assessments that provide the scientific basis for prioritizing food safety research and surveillance activities including antibiotic resistance monitoring.

- Expand support and expertise in molecular methods that can be used to rapidly identify markers of toxicity of foodborne pathogens.

- Develop new methods for routine surveillance of fluoroquinolone resistant Salmonella and Campylobacter to provide the data needed to make informed risk decisions concerning the use of quinolone-based antimicrobials in poultry and antibiotic resistance.

Outcomes:

- Provide the US with a consistent, uniform system to respond to foodborne illness, that has contributed significantly to shortening outbreaks and reduced incidence of illness and death.

- Improve research and risk assessment activities that provide the cornerstone for a science-based food safety system. Contamination is no longer detectable through a visual review involving sanitation issues – it is bacterial, microscopic, and requires sophisticated, state-of-the-art technologies to detect and control.

- Complete surveillance systems that identify, contain, and respond to foodborne outbreaks, as well as assess antimicrobial resistance. FoodNet, PulseNet, and the National Antibiotic Resistance Monitoring System (NARMS) are critical to the early detection and containment of foodborne outbreaks and to the detection of emerging antibiotic resistant pathogens that FDA, CDC, USDA and the States work on cooperatively.

- Increase the number of inspections to promote and verify the use by industry of techniques that prevent microbiological contamination.

- Target educational messages to people along the farm-to-table continuum, particularly those in the most vulnerable groups. These messages provide information to improve awareness and knowledge of safe food practices.

- Continue the successful efforts to date that have resulted in shortening many outbreaks. The risk of foodborne illness and death related to microbiological contamination of both domestic and imported foods has decreased.

Tobacco Program – Promoting and Protecting the Health of Our Nation's Youth + $5.0 million

Problem Identification: Tobacco products are responsible for more than 400,000 deaths annually due to cancer, respiratory illness, heart disease, and other health problems, representing five million years of potential life lost each year. Each day, nearly 3,000 young people across the country begin smoking regularly. Of these 3,000 young people, 1,000 will die prematurely because of a decision made as a child. Conservative estimates are that children and adolescents illegally purchase tobacco products 250 million times each year.

Proposed Response: The Agency's approach is threefold: enforcement and evaluation, compliance outreach, and product regulation. With the additional $5.0 million, FDA will:

- Increase leveraging contracts with State and local tobacco stakeholders. This funding will allow (1) more compliance checks of age and ID restrictions; and (2) 100 percent re-checks of violators. FDA will also develop a reliable, national list of tobacco retailers and complete installation of an information technology system to automate the program's business and communications processes.

- Increase the scope of the media campaign aimed at increasing retailer awareness of, and compliance with, the tobacco regulation.

Outcomes:

- Reduce, by 50 percent, young peoples' use of tobacco within seven years of full program implementation. To help reach this goal, FDA will continue to work with other organizations within the Department of Health and Human Services, (DHHS), other agencies, the States, and other stakeholders.

- Continue leveraging efforts through State contracts and extensive interactions with stakeholders.

Countering Bioterrorism + $11.5 million, 26 FTE in Budget Authority (+$4 million increase on a comparable basis)

Problem Identification: Preparing for and responding to an attack involving biological agents is complicated by the large number and characteristics of potential agents. These characteristics include: a large number of potential agents, most of which are rarely encountered naturally; their sometimes long incubation periods and a delayed onset of disease; their potential for secondary transmission; and their potential for being genetically engineered to resist current therapies and evade vaccine-induced immunity. While there is a need to develop specialized vaccines for these biological agents, there are limited commercial interests or market incentives in addressing this problem, thus it falls upon the Federal government to be prepared.

Due to the highly toxic nature of the agents identified as potential bioterrorist agents, specialized equipment and facilities are necessary to understand these agents to prevent, diagnose and treat outbreaks. For the most part, FDA does not currently have the necessary equipment or facilities for either preventing or treating potential outbreaks.

Proposed Response: FDA is an important contributor to the Nation's capability to respond to potential chemical and biological threats from bioterrorism. FDA's role includes assuring that new vaccines and drugs are safe and effective, safeguarding the food supply, and conducting research for diagnostic tools and treatment of disease outbreaks. Unlike other DHHS agencies that are participants in the Administration's anti-bioterrorism initiative, FDA plays a critical but less visible role with respect to its programs. Whether the issue is the development and use of rapid diagnostics to quickly identify a suspected biological agent or the capability to make available and administer large quantities of a vaccine or drug to counter the effects of a bioweapon, FDA's research is the linchpin that makes it possible for the Centers for Disease Control and Prevention (CDC), the National Institutes of Health (NIH), the Office of Emergency Preparedness (OEP), the Department of Defense (DOD), and others to carry out such activities.

FDA's research includes the development of new analytical approaches and methodologies, and determines if new products provide needed benefits without causing adverse side effects that would outweigh those benefits. This research includes both laboratory and non-laboratory investigation to address FDA regulatory responsibilities both immediately, and in the long-term.

The key elements of FDA's approach to counter bioterrorism is to:

- Develop vaccines in collaboration with NIH, CDC, DOD academia and private industry. The goal is to ensure expeditious development and licensure of vaccines for smallpox, anthrax, plague, tularemia, Q-fever, encephalitis-causing alphaviruses, and botulinum.

- Coordinate vaccine, drug and device stockpiling and prepare for emergency response including rapid detection and decontamination procedures.

- Develop new diagnostic products, rapid methods development, and comprehensive reviews for new drugs, therapeutics, and vaccines including new uses of existing products; expand research to identify toxicity indicators associated with biological warfare agents; and initiate global animal feeds monitoring system.

Outcomes:

· Expeditiously review and approve every drug, therapeutic, vaccine, and anti-toxin to be administered to humans.

· Complete the FDA review process for safety and efficacy for the pharmaceuticals, rapid diagnostics, and vaccines that are needed in the event of a bioterrorist attack. Since this regulatory process can sometimes be lengthy and complex, it is essential, in the interest of national security and public health, that FDA engages in the process as early as possible with sponsors and organizations that are developing the therapeutics, vaccines and rapid diagnostics.

· Work pro-actively, by outlining the individual steps that must be taken to obtain FDA approval for: pre-clinical toxicity testing; protocols for conducting the clinical trials; review and analysis of trial results; review of proposed manufacturing procedures; inspection of the manufacturing process to assure compliance with Good Manufacturing Practices; and post-marketing surveillance of adverse events.

Current Services Absorption

For the past seven years, FDA, along with much of the Federal government, has absorbed the annual inflationary increases for pay and non-pay. At first, the impact of absorption was negligible as FDA was able to offer efficiencies. However, as new opportunities to streamline disappeared, inflationary increases were absorbed by reducing staffing levels each years. The FY 2001 request reflects a reduced staffing level of 160 FTE. Fewer FTE translate into fewer people to perform FDA's core activities of premarket review and postmarket assurance. This hampers FDA's ability to assure safety through strengthened science and meet our public health mission.

Effects of Rescission – $3.0 million, 20 FTE

On October 28, 1999, Congress passed a government-wide rescission as part of the Omnibus Consolidated Appropriations Act. This reduction was not imposed across-the-board, but targeted to reflect specific areas. The Department-wide reduction from the FY 2000 budget totaled $165.8 million. Each agency within the Department received a reduction and no agency was reduced by more than $100 million. FDA's reduction totaled $2.977 million.

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Insert Organizational Chart here.

Insert Map of FDA Locations Across the US here.

FDA Mission

FDA's public health protection role and mission were incorporated into the Federal Food, Drug, and Cosmetic Act by the FDA Modernization Act of 1997 (PL 105-115). The Act outlined bold and innovative approaches to meet the increasingly complex public health challenges of the 21st century. FDA is committed to the successful implementation of this plan and believes success is within reach with the resources and support of its stakeholders. The FDA's statutory mission is:

- To promote the public health by promptly and efficiently reviewing clinical research and taking appropriate action on the marketing of regulated products in a timely manner.

- With respect to such products, to protect the public health by ensuring that:

  - foods are safe, wholesome, sanitary, and properly labeled;

  - human and veterinary drugs are safe and effective;

  - there is reasonable assurance of the safety and effectiveness of devices intended for human use;

  - cosmetics are safe and properly labeled, and;

  - public health and safety are protected from electronic product radiation.

- To participate through appropriate processes with representatives of other countries to reduce the burden of regulation, harmonize regulatory requirements, and achieve appropriate reciprocal arrangements; and,

- As determined to be appropriate by the Secretary of the Department of Health and Human Services, to carry out these activities in consultation with experts in science, medicine, and public health and in cooperation with consumers, users, manufacturers, importers, packers, distributors, and retailers of regulated products.

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Summary Table by Program
Insert Direct Appropriations APT here.

Insert Other Appropriations APT here.

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Insert APT Page 5 here.

Insert Summary of Change (Exhibit F) here.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
FOOD AND DRUG ADMINISTRATION
SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; [$1,186,072,000] $1,306,178,000 of which not to exceed [$145,434,000] $149,273,000 in prescription drug user fees authorized by 21 U.S.C. 379(h) may be credited to this appropriation and remain available until expended, Provided, [That fees derived from applications received during fiscal year 2000 shall be subject to the fiscal year 2000 limitation: Provided further, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701:[Provided further: That of the total amount appropriated: (1) $269,245,000 shall be for the Center for Food Safety and Applied Nutrition and related field activities in the Office of Regulatory Affairs; (2) $309,026,000 shall be for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs, of which no less than $11,542,000 shall be available for grants and contracts awarded under section 5 of the Orphan Drug Act (21 U.S.C. 360ee); (3) $132,092,000 shall be for the Center for Biologics Evaluation and Research and for related field activities in the Office of Regulatory Affairs; (4) $48,821,000 shall be for the Center for Veterinary Medicine and for related field activities in the Office of Regulatory Affairs; (5) $154,271,000 shall be for the Center for Devices and Radiological Health and for related field activities in the Office of Regulatory Affairs, of which $1,000,000 shall be for premarket review, enforcement and oversight activities related to users and manufacturers of all reprocessed medical devices as authorized by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), and of which no less than $55,500,000 and 522 full-time equivalent positions shall be for premarket application review activities to meet statutory review times; (6) $34,536,000 shall be for the National Center for Toxicological Research; (7) $34,000,000 shall be for the Office of Tobacco; (8) $25,855,000 shall be for Rent and Related activities, other than the amounts paid to the General Services Administration; (9) $100,180,000 shall be for payments to the General Services Administration for rent and related costs; and (10) $78,046,000 shall be for other activities, including the Office of the Commissioner; the Office of Policy; the Office of the Senior Associate Commissioner; the Office of International and Constituent Relations; the Office of Policy, Legislation, and Planning; and central services for these offices: Provided further: That funds may be transferred from one specified activity to another with the prior approval of the Committee on Appropriations of both Houses of Congress.] no more than $104,954,000 shall be for payments to the General services Administration for rent and related costs.

In addition, mammography user fees authorized by 42 U.S.C. 263(b) may be credited to this account, to remain available until expended.

In addition, export certification user fees authorized by 21U.S.C. 381, as amended, may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, [$11,350,000] to remain available until expended $31,350,000, and to become available on October 1, 2001, $23,000,000, (7 U.S.C.2209b). (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations act, 2000).

The Food and Drug Administration (FDA) administers laws concerning misbranded and adulterated foods, drugs, human biologics, medical devices, cosmetics, and human-made sources of radiation. The Budget provides a $168.2 million (+13 percent) increase over the FY 2000 enacted program level. The Budget includes $1,157.9 million for Salaries and Expenses, which includes funding for the food safety initiative and tobacco regulation, as well as initiatives for the reporting of medical errors and the prevention of illegal sales of prescription drugs over the Internet. Of the Salaries and expenses amount, $99.1 million will be used for payments to the General Services Administration for rent and rent-related costs (an additional $5.9 million will be derived from fees). The Budget reflects the transfer of the Seafood Inspection Division of the National Oceanic and Atmospheric Administration of the Department of Commerce to the FDA, which will be financed with $12.7 million in currently authorized fees. In addition the budget includes $189.9 million for user fees, an increase of $29.7 million in user fees over FY 2000, which will be used to finance FDA activities. Of the $189.9 million in user fees, $19.5 million consists of new user fees related to the review of direct food additive petitions, food export certificates and for the review of medical device applications, which are represented in the legislative proposal schedule. The buildings and facilities appropriation of $31.4 million provides funds for projects related to the repair, construction, alteration, and improvement of all buildings and facilities of FDA, including the new Los Angeles Laboratory.

Salaries and Expenses
(Legislative proposal not subject to PAYGO)

Contingent upon the enactment of authorizing legislation, up to $19,483,000 derived from fees assessed for activities related to the review of direct food additive petitions, the issuing of food export certificates and the review of medical device applications may be collected and credited to this appropriation, to remain available until expended for those activities.

The Budget includes $189.9 million in user fees, of which $19.5 million are new user fees to finance FDA activities as reflected in the legislative proposal schedule. Additional

appropriation language is being proposed contingent upon the enactment of authorizing legislation. The authorizing legislation will be proposed to authorize the collection and spending of the fees subject to the appropriations action.

ADMINISTRATIVE PROVISION, FOOD AND DRUG ADMINISTRATION

That effective October 1, 2000, (1) the functions and authorities related to fish or fishery products under the Agricultural Marketing Act of 1946, including inspections and other activities authorized under section 203(h) of that Act, are transferred from the Secretary of Commerce to the Secretary of Health and Human Services ("HHS"); (2) the Secretary of Commerce shall transfer to the Secretary of HHS (A) all personnel of the Seafood Inspection Division of the National Oceanic and Atmospheric Administration of the Department of Commerce and such other employees of the Department of Commerce as may be designated by the Secretary of Commerce, with the concurrence of the Secretary of HHS, all of whom shall become personnel of a voluntary seafood inspection unit within the Food and Drug Administration ("FDA"); and (B) all assets and liabilities of the Department of Commerce or its components pertaining to the activities specified in clause (1), which shall become assets and liabilities of such seafood inspection unit, including facilities, contracts, property, records, accounts payable and receivable, and unexpended and unobligated balances of funds; (3) all rules, regulations, administrative directives, grants, contracts, and other determinations and agreements in effect on such date relating to the activities specified in clause (1) shall remain in effect until modified, by the Secretary of HHS; (4) the Secretary of HHS is authorized to promulgate, without comment, a final rule transferring to title 21, Code of Federal Regulations, regulations of the Secretary of Commerce necessary to carry out the activities specified in clause (1); (5) all activities of such seafood inspection unit shall be funded exclusively from fees charged for, and other amounts specifically appropriated for, such activities, and fees collected and amounts appropriated for such activities shall not be used for any other purpose; (6) for purposes of any reduction in the personnel complement of the Food and Drug Administration or of such unit on or before September 30, 2005, such unit will be deemed a distinct competitive area within the Food and Drug Administration, under 5 CFR 351.402

Explanation:
1/ Removes Senate language which sets forth specific amounts by program and other areas, (Orphan Grants, premarket review and medical device reuse for Medical Devices, Rent and GSA rent amounts), which provides some flexibility for FDA resource reallocation. Reprogramming language as contained in the General Provisions, section 724 would still apply.

2/ FDA is proposing additive user fees for the Foods and Medical Devices Programs. Fees collected under the Foods Program will be for petitions for food additives submitted and Food Export certificates. User fees collected under the Medical Devices Program will be for premarket applications and premarket application supplement reviews.

3/ Administrative Proposal: Legislation has been drafted to establish the Seafood Inspection Program as a Performance Based Organization (PBO) within FDA of the US Department of Health and Human Services. This legislation will, among other things, transfer the employees of the SIP and the authorities of the Agricultural Marketing Act of 1946 to continue the services that are now being provided by the SIP under NMFS/NOAA/USDC.

The budget proposes: 1) for the short-term, a transfer of the Seafood Inspection Division, (SIP) of the National Oceanic and Atmospheric Administration from the Commerce Department to the Department of Health and Human Services, under the purview of the Food and Drug

Administration; and 2) more permanently, the development of legislation to make this program into a Performance Based Organization, still under the auspices of FDA, but to run more like a business.

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Foods

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriation[1]	$235,168	$269,245	$267,449	$35,108	$302,557
Other User Fees[2]				$26,350	$26,350
Total	$235,168	$269,245	$267,449	$61,458	$328,907
FTE	2,339	2,391	2,378	316	2,694

1/ Includes Salaries & Expenses, Rent and PDUFA, where applicable.

2/ For FY 2001, the proposed Export Certification User Fee is included in the Foods Program. Should appropriate user fee legislation be enacted, the FY 2002 budget will reflect this user fee in the Export Certification line of the budget, not the Foods Program line.

EXPLANATION OF PROGRAM

The Foods Program has the primary responsibility for assuring that the US food supply is safe, sanitary, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. Since foods are susceptible to a wide variety of potentially hazardous substances including microbial pathogens, chemical residues, natural toxins, and illegal food additives, the Foods Program has an enormous responsibility that has a direct impact on the health of individual consumers as well as the entire nation.

FDA ensures the quality and safety of foods while dealing with the increased responsibilities of additional statutory authorities and implementation of government reinvention initiatives to improve efficiency and effectiveness. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $1.2 MILLION, 5 FTE

Bringing Products of New Technology to Market + $1.2 million, 5 FTE

FDA will focus on two critical program areas – biotechnology and dietary supplements. Improved scientific knowledge in these areas will lead to safer products by helping the Agency better understand the complexities of the products it is regulating.

- Analyze risks associated with emerging technologies, specifically biotech foods. This information allows FDA to make well-informed regulatory decisions.

- Develop sound scientific data and expertise to support standards and guidance in evaluating the safety of dietary supplements. Use analytical techniques and sampling methodologies for ingredients, contaminants, pre-clinical testing, and models for assessing human risk.

  Provide consumers quicker access to new food ingredients and dietary supplements, while assuring their safety and effectiveness. [3] *(Foods Strategic Goal # 1)*

  Respond to 90 percent of notifications for dietary supplements containing "new ingredients" within 75 days. (Foods Performance Goal # 3)

POSTMARKET INITIATIVES + $9.2 MILLION, 17 FTE

Adverse Event Reporting System (AERS) + $2.5 million, 2 FTE

Dietary supplements are not subject to a premarket safety review or approval by FDA. Post-market surveillance activities, including monitoring of adverse events associated with marketed products, are critical for FDA to monitor the safety of these products. There are an increasing number of adverse event reports involving drug interactions in individuals using dietary supplements. To counter this trend, FDA will:

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[3] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

· Enhance the AERS for dietary supplements and develop a system component to collect data on drug-dietary supplement interactions to provide a faster, more efficient way to evaluate adverse event reports, thus shortening the time needed for any responsible actions, potentially saving lives and improving public safety.

Reduce the health risks associated with food and cosmetic products by preventing human exposure to hazards, monitoring product quality and correcting problems that are identified. (Foods Strategic Goal # 2)

Inspectional Activities + $1.7 million, 15 FTE

Complementary to inspectional coverage under the Food Safety Initiative, FDA is requesting additional resources to improve the monitoring of dietary supplements, pesticides, and chemical contaminants. FDA will:

· Expand dietary supplement compliance inspections and sample analyses to better protect consumers.

· Expand monitoring for pesticides and environmental contaminants in foods, including a focus on imports, to meet the requirements of the Food Quality Protection Act (FQPA).

Continue to expand monitoring for pesticides and environmental contaminants in foods through the collection and analysis of a targeted cohort of 11,000 samples. (Foods Performance Goal # 16)

· Revise and expand the FDA Total Diet Program to obtain data on levels of pesticides, industrial chemicals, toxic elements, and vitamins and minerals in foods that is more representative of today's consumer eating habits. This will enable FDA to estimate the risks of pesticides and chemical contaminants, and the level of food nutrients in the American diet.

· Replace outdated field laboratory equipment to improve the accuracy and timeliness of food product analyses to determine compliance with safety requirements.

· Expand the ability of Federal, State and local partnerships to improve food safety by expanding the ability of FDA's partners to share data through the field data systems.

· Establish Quality Management System procedures as a normal part of all field food program activities to increase consistency and quality of field activities nationwide. This is an internal quality system based on ISO 9000 internationally accepted quality standard. It involves a quality information base for system-wide evaluation and assessment. This Quality Management System integrates all field work products and processes:

investigative, scientific and enforcement. This unified management system will improve dissemination of scientific and management policy and preserve institutional knowledge.

College Park Relocation + $5.0 million

In 2001, the Center for Food Safety and Applied Nutrition (CFSAN) will be moving to a newly constructed facility in College Park, Maryland. Funds are needed to pay for one-time costs associated with equipping and occupying this facility. The FY 2001 funding will support: telecommunications equipment and necessary network connections; and files consolidation and moving costs.

USER FEES

Proposed New User Fees + $13.7 million, 78 FTE

PREMARKET

Direct Food Additive Petition User Fees + $8.4 million, 55 FTE

Industry support is evident for additive user fees for food additive petitions. The food industry has indicated that their objective is to have a food additive approval process that can regularly deliver high quality and timely scientific reviews and decisions on food additive petitions so that food safety is protected and innovation in food technology is not deterred by the regulatory process.

FDA is proposing fees to supplement rather than replace funding from general revenues for review of direct food additive petitions. Additional resources would enable the Agency to take a number of steps to improve its review of products. This would include enhanced training to support the scientific expertise of reviewers that need to keep pace with increasingly complex products, and prefiling consultations with petitioners.

Complete first action on 50 percent of food and color additive petitions within 360 days of receipt. (Foods Performance Goal # 1)

POSTMARKET

Food Export Certificate User Fees + $5.3 million, 23 FTE

Food exporters are required to comply with an increasing number of European Union (EU) requirements for certificates attesting to the safety of animal-derived foods. Such certificates attest to product compliance with EU directives and standards, not FDA regulations. In order to provide such certificates to US food exporters, the Agency may need to conduct more frequent inspections or analyze products for the presence of substances that may not be considered significant public health risks in the US. FDA must recoup the costs incurred as a result of such

inspections or laboratory analyses, and administrative costs associated with issuance of export certificates. Authority currently exists for such a recoupment for Human Drugs, etc. This would merely extend the same authority to the Foods program. A legislative proposal is being forwarded by the Administration.

FDA expects to issue approximately 30,000 export certificates per year at a cost of $175 per export certificate under this provision. This would yield $5.25 million per year in revenue.

Proposed Transfer of User Fees

POSTMARKET

Seafood Inspection Transfer + $12.7 million, 139 FTE

The Seafood Inspection Program under the National Marine Fisheries Service (NMFS)/National Oceanic Atmospheric Administration (NOAA)/US Department of Commerce (USDC) provides voluntary inspections and certification services for fish and fishery products on a fee-for-service basis under the authority of the Agricultural Marketing Act of 1946, and also addresses issues of wholesomeness, economic integrity and quality.

The budget proposes: 1) a transfer of this program from the Commerce Department to the Department of Health and Human Services, under the purview of the Food and Drug Administration, through appropriations language; and 2) the transmittal of legislation to make this program into a Performance Based Organization, still under the auspices of FDA, but to run more like a business. The transfer and subsequent conversion to a PBO will remove unnecessary bureaucratic constraints and allow the program to respond more promptly to the needs of its customers; thereby, actively pursuing the goals of the Agricultural Marketing Act for the benefit of industry and consumers.

SPECIAL PROGRAM INITIATIVES

Food Safety Initiative + $21.6 million and 122 FTE

FY 2001 will mark the fourth year of a highly successful multi-agency initiative to control and reduce foodborne pathogens in the American food supply. The benefits of this investment are evidenced by the fact that the time it takes to respond to numerous outbreaks have been shortened, resulting in fewer potential deaths and illnesses to American consumers.

In FY 2001, FDA will further strengthen and enhance Federal, State and local food safety systems through the use of uniform minimum standards and practices for inspections and consistent enforcement. In collaboration with its sister agencies, the FDA will conduct the following activities to improve inspectional coverage and related research efforts.

Inspections + $17.0 million, 116 FTE

· Expand domestic inspections to ensure annual inspections of all high-risk food establishments and enhance laboratory capabilities for the analytical support associated with this level of inspectional activity. Examples of high risk establishments include: processors of infant formula; establishments that process ready to eat foods, or produce heat and serve products; establishments that process seafood products, all low- acid canned food processing plants, and processors of juice.

  Increase the percentage of high-risk domestic food establishments inspected once every year to 100 percent. (Foods Performance Goal # 10)

· Implement State audit programs to ensure consistent application of regulations, e.g., Seafood HACCP.

· Expand the application of HACCP systems with the implementation of the HACCP for fruit and vegetable juices.

  Develop the HACCP final rule for fruit and vegetable juices. (Foods Performance Goal # 22)

Research and Risk Assessment + $4.6 million, 6 FTE

· Develop a Risk Strategic Plan to expand the understanding of science-based inspection programs, risk assessment models, data and assessments and to provide information and predict the risk associated with specific pathogens.

· Develop consistent nationwide standards for on-farm preventive controls for egg producers and food handling practices at retail.

· Develop and evaluate on-farm intervention strategies and/or technologies to improve testing methodologies for *Salmonella Enteriditis* (SE) on the farm and in eggs, and to understand the ecology and epidemiology of SE in the hen and farm environment.

Countering Bioterrorism + $1.2 million and 3 FTE
{tc \l1 "Countering Bioterrorism + $1.2 million and 3 FTE}
FDA will conduct the following activities as part of an overall strategy to safeguard the food supply from potentially harmful and lethal biological agents.

· Conduct research to develop rapid methods of detection of biological agents, such as *anthrax*, that could be used by terrorists. Techniques will be developed to confirm the results of less specific detection methods. These detection methods will provide necessary surveillance tools needed for monitoring programs.

- Work with other governmental agencies (domestic and international) and private sector organizations to develop cooperative programs to exchange information regarding surveillance activities and develop improved crisis management procedures for bioterrorism incidents.

- Participate in the planning and coordination of public health responses to bioterrorist attacks.

- Prepare field staff to safely seize, remove, and dispose of contaminated products by developing procedures and providing appropriate facilities and equipment.

- Develop inspection methods and procedures to assure the safety of regulated products at manufacturing sites and other establishments.

JUSTIFICATION OF BASE
{tc \l1 "JUSTIFICATION OF BASE}

FDA's Foods program will continue to ensure the safety of foods and cosmetics through its activities of premarket review and postmarket surveillance and the National Food Safety Initiative. The Agency develops standards and/or regulations, conducts related research to provide the necessary scientific basis for its regulatory decisions, monitors the marketplace, inspects, works extensively with all stakeholders, uses market research to develop effective strategies, tracks and analyzes adverse event reports, and participates in international standard-setting activities. FDA's Foods program will continue to carry out activities in the following areas:

- Premarket Review of food ingredients, using chemical, toxicological, and environmental analysis. Ingredients that relate to significant reductions in microbial pathogens in foods will receive an expedited review process.

- Health and safety labeling issues ranging from health or nutrient content claims to warnings for special populations, including infant formula and medical food product labeling.

- Dietary supplements, including effective regulation under the Dietary Supplement Health and Education Act (DSHEA).

- Pesticide and industrial chemical contamination, including developing procedures for the safe and sanitary processing of foods, such as the HACCP preventative control system model used for processing seafood and juice.

- Cosmetics, including the Voluntary Cosmetic Registration Program (VCRP), a program designed to collect ingredient and manufacturing data from manufacturers and provide feedback to all stakeholders (industry, consumers, etc.).

The President's Food Safety Initiative has successfully put into place a strong foundation for a science-based, integrated food safety system that has resulted in reductions in the incidence of death and illness attributable to foodborne pathogens. Some of the key activities include:

- Surveillance, to identify, contain, and respond to foodborne outbreaks, as well as assess antimicrobial resistance. Three systems are now in place and nearing full operation. FoodNet is a foodborne disease tracking system that provides information to estimate the frequency and demographic distribution of foodborne illnesses in the United States. PulseNet is a computerized database of bacterial DNA subtypes that can be used to quickly determine whether illness occurring in different geographic locations during the same time frame are linked to a common food source. The National Antimicrobial Resistance Monitoring System (NARMS) allows for identification of disease trends, such as antibiotic resistance among foodborne pathogens, in human and animal medicine, and monitors the transfer of antibiotic resistant bacteria to humans.

- Inspections in the industry promote and verify the use of techniques that prevent microbiological contamination of both domestic and imported foods. FDA is pursuing similar strategies for domestic and imported foods by using existing expertise and information generated from surveillance, research, and risk assessments to target inspections and preventive measures toward the greatest risk, and to ensure that good manufacturing practices are followed. FDA is developing science-based solutions to the Nation's food safety problems. The Hazard Analysis and Critical Control Point (HACCP) concept, which is currently implemented by the seafood industry, is a scientific program where manufacturers and food preparers identify points in a process where safety problems can occur and establish measures to effectively prevent the problems.

- Educational messages targeted along the farm-to-table continuum, particularly to those in the most vulnerable groups have been very successful. These messages provide information to improve awareness and knowledge of safe food practices. Survey results show increased incidence of safer food handling practices by consumers since the campaign began.

- Microbiological research and the development of risk assessment techniques provide the scientific basis for the integrated food safety system. Inspection and surveillance activities in particular require the development of science-based tools through research. Most contamination is no longer detectable by simple visual review, but rather is microbial in nature and requires sophisticated, state-of-the-art technologies to detect and control. These activities are critical in providing information about pathogens, how they enter and interact with the human body, and the best methods for attacking them.

Foods

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$200,941	$0	$200,941	2,348
FY 1997	$191,183	$0	$191,183	2,226
FY 1998	$206,249	$0	$206,249	2,239
FY 1999	$235,168	$0	$235,168	2,339
FY 2000 est.	$267,449	$0	$267,449	2,378

Food Safety Initiative

- Increased surveillance of imported food overseas and at the border. Also, enhanced follow-up and containment of foodborne disease outbreaks associated with imported food.

- Developed a farm investigation questionnaire for use on farms implicated in produce tracebacks has also been developed to provide standardized detailed information.

- Conducted 19 traceback investigations involving FDA regulated products, and visited 10 farms as the result of outbreak tracebacks or positive samples in the Imported Produce Sampling Program.

- Disseminated and promoted the use of the Good Agricultural Practices/Good Manufacturing Practices guidance document to both domestic and foreign agriculture communities, in conjunction with USDA.

- Initiated education/outreach and technical assistance to foreign countries on the use of Good Agricultural Practices (GAP)/Good Manufacturing Practices (GMP) guidance for produce. A six-minute video, “Assuring Safer Produce: A Global Issue,” was completed. This new tool provides an overview of the good agricultural and good manufacturing practices, helps explain the Produce Safety Initiative, and is available in four languages. This will improve the safety of foods imported into this country.

- Assessed the food safety systems in Nicaragua, Costa Rica, El Salvador, Guatemala and Honduras, which export a significant amount of food to this country.

- Developed a specialized egg safety campaign to reduce the incidence of foodborne illnesses caused by *Salmonella Enteritidis*. Two fact sheets were developed: "Playing it Safe with Eggs" for consumers and "Assuring the Safety of Eggs" for food service personnel.

- Proclaimed September 1999, as National Food Safety Education Month. This was an opportunity to promote food safety to consumers and the food industry. This year's theme was "Cook It Safely". FDA, in conjunction with USDA, developed and mailed consumer education guides to public health departments, FDA public affairs specialists and USDA extension agents throughout the country. The guide contained activities and publicity ideas for food safety education during September.

Food Safety: Premarket Review of Food Ingredients

- Implemented new procedures to expedite the review of food additives to decrease the incidence of foodborne illness through its antimicrobial action against human pathogens that might be present in food. The first petitions to meet the criteria for expedited review included antimicrobial agents in the processing of poultry, seafood, fruits, and vegetables, and irradiation of fresh shell eggs.

- Published "Antimicrobial Food Additives – Guidance," designed to clarify FDA's jurisdiction over antimicrobials that are used in food or that may become a component of food. This document provides guidance that is important in delineating the jurisdiction of FDA and EPA over antimicrobial substances, and the regulatory authority over inert ingredients of certain pesticide formulations.

- Completed "first action", defined as a review of all parts of a petition, followed by issuance of a "not approvable" letter, or publication of a response in the *Federal Register*, on 54 percent of food and color additive petitions within 360 days of receipt, a 12 percent improvement over the FY 1999 goal.

- Reduced the percentage of overdue food and color additive petitions to 30 percent from 38 percent of petitions in process for more than 360 days.

- Developed a new notification program for Generally Recognized as Safe (GRAS) food additive petitions to replace the current lengthy rule-making process. Manufacturers will simply notify FDA of their GRAS determination and provide evidence that supports their decision. After which FDA has 90 days to respond.

- Published a final rule for dietary supplement labeling. Consumers will now see more complete information on dietary supplement products, including an information panel titled "Supplement Facts", a clear identity statement and a complete list of ingredients.

- Published the proposed rule for requiring the amount of *trans* fatty acids in a food to be included on the Nutrition Facts label. Included in this proposal is a new nutrient claim defining "*trans* fat free". Consumption of *trans* fatty acids has been shown to increase blood LDL-cholesterol ("bad" cholesterol) levels and increase the risk of coronary heart disease. Prepared and distributed outreach materials to prepare industry, consumers, and health professionals for the proposed *trans* fatty acids labeling requirement.

- Published the proposed rule and prepared the final rule allowing the Health Claim for soy proteins reducing the risk of coronary heart disease, and for whole grain foods reducing the risk of coronary heart disease and certain cancers. Received and responded to both nutrient content claims/health claim petitions within 100 days with a decision to the petitioner.

- Published a final rule to amend the ingredient labeling regulation for surimi and surimi-containing foods in response to a petition submitted by the National Fisheries Institute (NFI) requesting more flexible ingredient labeling.

Food Safety: Postmarket Surveillance

- Advanced the Hazard Analysis and Critical Control Point (HACCP) Programs designed to prevent potential hazards. Kept the Seafood HACCP Program on track with the full expectation that 50 percent of the domestic seafood industry will be using preventative controls for safety as evidenced by operating HACCP systems. Programs to educate seafood processors in the design and operation of HACCP systems have been on-going and we have updated and upgraded our guidance materials.

- Targeted foreign inspections toward developing countries with large volumes of seafood exports to the United States, to ensure international compliance with HACCP. We are also pursuing equivalence agreements with our more advanced seafood training partners. We have upgraded the education provided to our own inspectors, offering certification programs and the same training offered to the industry.

- Published the proposed rule for Juice HACCP to require processors of packaged fruit and vegetable juices to implement HACCP to prevent contamination of their products.

- Sponsored a voluntary HACCP Pilot Program for Grade 'A' dairy products in partnership with the National Conference on Interstate Milk Shipments, designed to determine if HACCP can be accepted as an alternative to the traditional inspection system in the Pasteurized Milk Ordinance.

- **Emergency Operations:** Responded to possible public health emergencies resulting from natural disasters, such as the floods in the Southeast caused by hurricane Floyd, and

reports of illnesses or injury that are associated with a regulated product and must be investigated. Below are examples of emergencies that required extensive investigation and follow-up:

Pathogen	Product	States Involved
Listeriosis	Cheese	CT, NY, OH, MA
Salmonella baildon	Tomatoes	CA, VA, AZ, GA, TN, IL, AL, KS
Salmonella mbandaka	Alfalfa Sprouts	OR, CA
E.coli 0157:H7	Lettuce	NE
Salmonella typhi	Guatemalan Mamey	FL
Salmonella thompson	Mexican Cilantro	CA
Shigella sonnei	Tomatoes or Basil	CT, MA
Enterobacter sakasaki	Infant Formula	FL
Salmonella typhimurium	Clover Sprouts	CO
Botulism	Hash Brown Potato Patty	IA
Shigella	Foodborne Outbreak	AZ
Salmonella St. Paul	Clover Sprouts	CA
Salmonella muenchen	Orange Juice	OR, WA
Cyclospora	Fruit Plate	CA, WI
E. coli 0157:H7	Cabbage	OH

- Implemented a plan with the US Customs Service to prevent unsafe imported food from crossing our borders which:

  - requires shipments of unsafe food to be held in a secure storage facility at the importer's expense until released by FDA and Customs;

  - permits the destruction of foods that are refused entry due to a serious public health and/or safety violation;

  - requires refused food shipments not meeting US Standard to be marked “Refused” to indicate that the product was denied entry into the US;

- establishes standards for importer, contractors, and private laboratories that collect and analyze samples of import food for the purpose of gaining entry into the US;

- increases the amount of bond posted for imported foods to the full market value of the product to deter illegal entry into the US; and

- uses civil money penalties against importers who attempt to enter food into the US by means of false statement, act, or admission.

- **USDA FSIS/FDA Memorandum of Understanding (MOU):** FDA and the USDA Food Safety and Inspection Service (FSIS) signed a MOU to share information and cooperate in the regulation of dual jurisdiction establishments that produce products regulated by both agencies, making joint inspections and joint enforcement actions possible.

- **Import Produce Analyzed for Pathogens:** Analyzed over 550 samples of fresh imported produce for microbiological pathogens. This first systematic look at this dietary significant group of foods for pathogens found approximately 5 percent of the samples contained pathogens. Pathogens detected were *Shigella* and *Salmonella* spp. Commodities found positive included: cantaloupe, celery, cilantro, green onions, lettuce, and parsley.

Cosmetics

With the $2.5 million provided by Congress for the Cosmetics program, FDA:

- Reinstated the Cosmetic Voluntary Reporting Program, to provide quantitative and descriptive data which protects consumers against potentially hazardous cosmetic ingredients and products.

- Completed a clinical study on the effects of Alpha Hydroxy Acids (AHAs), used in some skin preparations, on human skin that will help to support Agency decisions concerning possible public health risks.

- Worked collaboratively with the National Toxicological Program (NTP) in the development of a state-of-the-art phototoxicity testing facility and photocarcinogenicity testing protocol for studying the long-term effects of AHAs on the adverse effects of sunlight.

Foods

Program Activity Data

Program Workload and Outputs	FY 1999 Actuals	FY 2000 Estimate	FY 2001 Estimate
Food and Color Additive Petitions			
Completed[1]	54%	40%	50%
Percentage of Overdue Petitions under review[1]	42%	N/A	N/A
Inspections – FSI by FDA [2]			
Non-HACCP – Foreign	110	250	250
Non-HACCP – Domestic	3,248	3,700	4,000
Seafood HACCP – Domestic	2,679	2,600	2,600
Seafood Importer (HACCP)	655	800	1,000
Inspections – FSI by State Contract [2]			
Non HACCP	3,345	4,200	4,700
Seafood HACCP	550	600	600
Inspections – FSI by State Partnerships [2]			
Non HACCP	2,767	3,000	3,200
Seafood HACCP	866	800	800
Seafood Importer HACCP	11	10	10
Total FSI Inspections			
Import	**765**	**1,050**	**1,050**
Domestic	**14,121**	**14,910**	**15,910**
Inspections – Non FSI by FDA [2]	559	800	1,100
Field Exams[3]			
Import – FDA FSI	9,144	9,400	9,400
Domestic – FDA FSI	86	100	100
Import – FDA Non-FSI	6,684	6,700	6,700
Domestic – FDA Non-FSI	1,906	2,000	2,000
Laboratory Samples Analyzed[4]			
Import – FSI	14,949	15,000	15,000
Domestic – FSI	3,804	4,000	4,000
Import – Non-FSI	1,490	1,500	1,900
Domestic – Non-FSI	5,531	5,000	5,500

1/ The percentage of Food and Color Additive Petitions Completed is based upon 360 days. The goals for first action for petitions (FYs 2000 and 2001) are lower than those achieved in FY 1999 due to the conversion of petitions to notifications in FY 2000. FDA expects there will be a dramatic change in both the number of petitions under review and those overdue. FDA will establish new baseline numbers for these goals at the end of FY 2000.

[2]An inspection is any visit to an establishment during which all or part of one or more phases of that establishment's operation is evaluated against appropriate FDA requirements.

[3]Field Exams are the on-site examination of a product that is sufficient in itself to determine that the product is in compliance with FDA requirements.

[4]Laboratory Samples Analyzed are product samples physically analyzed by the laboratory to determine whether or not the product is in compliance with FDA requirements.

Human Drugs

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriation [1]	$278,299	$309,026	$308,882	$20,915	$329,797
FTE	2,456	2,555	2,554	87	2,641

1/ Includes Salaries & Expenses, Rent, and PDUFA, where applicable.

EXPLANATION OF PROGRAM

American consumers rely on the FDA to improve health by ensuring that safe and effective medicines are available and that unsafe or ineffective drugs stay off the market, and to ensure clear, unbiased easily understandable drug information is available to prescriber, patients and consumers.

Before new drugs can be marketed in the United States, they must undergo an independent review by FDA scientists. If the review establishes that a drug is both safe and effective it is approved for marketing. In addition to prescription drugs, FDA reviews and regulates over-the-counter drugs and the generic counterparts of prescription and over-the-counter drugs and drugs designated as Orphan Drugs.

Neither FDA nor the industry can learn everything about the safety of a drug before it is approved. Continued vigilance by FDA is required after a drug is approved. This includes monitoring the quality and safety of manufacturing products, regulating the advertising and promotion of prescription drugs, ongoing surveillance for adverse events and use problems, and promoting informational and educational programs that address both medical and consumer interests.

The Office of Orphan Products Development (OOPD) Program promotes the development of products that demonstrate promise for the diagnosis and/or treatment of rare diseases or conditions. To locate such products, the OOPD interacts with the medical and research communities, professional organizations, academia, and the pharmaceutical industry, as well as rare disease groups. The OOPD administers the major provisions of the Orphan Drug Act (ODA) which provide incentives for sponsors to develop products for rare diseases. The program began in 1983 and has seen the approval of drugs for diseases such a pulmonary hypertension in the newborn, hairy cell leukemia, severe combined immunodeficiency syndrome (SCIDS), and many more rare and most often life-threatening diseases.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $2.3 MILLION, 3 FTE

Bringing Products of New Technology to Market + $2.3 million, 3 FTE

Limited scientific knowledge delays health and safety benefits and may lead to over-regulation because of inadequate understanding of the risks involved. Requested resources will be used to improve the premarket review process through:

- Research to identify, monitor and minimize drug toxicity and adverse drug reactions.

- Leveraging increased scientific capability and support from external stakeholders having appropriate medical and scientific expertise.

POSTMARKET INITIATIVES + $19.5 MILLION, 119 FTE

Internet Drug Sales + $9.7 million, 75 FTE

Over the past couple of years, FDA has become aware of fraudulent activities involved with the sale of approved and unapproved prescription drugs over the Internet. The Agency is deeply concerned about maintaining the integrity of drug sales within the United States. The requested increase would allow FDA to:

- Conduct undercover online purchases of prescription drugs from Internet sites suspected of engaging in illicit drug sales, distribution, and/or marketing.

- Utilize laboratory personnel and resources for analytical testing of prescription drugs purchased over the Internet in order to determine if products are misbranded or counterfeit.

- Reduce the fraudulent distribution and sale of unapproved, misbranded, and possible counterfeit prescription drugs to consumers.

- Reduce the sale of prescription drugs to consumers by those Internet sites that do not require a legitimate prescription.

- Reduce the practice of Internet online diagnosis, where a doctor and pharmacy affiliated with an Internet website provide prescription drugs based only on the review by a doctor of an online medical questionnaire completed by the consumer. Without appropriate medical supervision of their medication, consumers are at an increased health risk.

· Reduce the health risks to individuals ordering pharmaceuticals from foreign sources over the Internet by providing oversight of mail and courier packages entering from foreign sources and destined for individuals, e.g., personal importations. These personal importations are largely excluded from FDA's electronic import data system (OASIS).

Reduce the illegal promotion, sales, and distribution of approved and unapproved prescription and non-prescription pharmaceuticals via the Internet. Protect consumers from obtaining unsafe, ineffective, and fraudulent products that present a real danger to the public health. [2]

Medical Errors + $6.0 million, 13 FTE

The Institute of Medicine's (IOM) 1999 report on medical errors emphasized the need for the American medical community to reevaluate practices and procedures that may lead to fewer deaths. Additional resources of $6 million in this area will be used in FY 2001 to do the following:

· Complete FDA's new on-line adverse event reporting system (AERS) for drugs and biologics, to provide rapid assessment of injuries and deaths associated with the use of these products. *(Human Drugs Performance Goal # 8)*

· Additional staff to increase attention to drug naming, packaging and labeling. Approximately 50 percent of reported medication errors are related to the naming, labeling and/or packaging of the product.

- Develop linkages to government and private health care data sources. This access to broad-based health information databases allows for more rapid exploration of potentially serious drug-related problems and for more rigorous investigations than are currently possible. As a result, fewer lives are lost or injuries incurred before action is taken.

- Expand educational programs for health care providers and the public to promote the safe use of products (publications, dissemination of information to the public). *(Human Drugs Performance Goal # 12)*

· Provide training for field staff to improve the information gathered through investigation of consumer complaints and upgrade field data systems to provide consumer complaint data that complements AERS.

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[2] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

Inspectional Activities + $3.8 million, 31 FTE

FDA will increase the inspectional coverage rate of both domestic and foreign establishments while the overall inventory continues to expand. The request for $3.8 million for inspectional activities will be used to:

- Improve the confidence that FDA has in the safety of foreign drug products by implementing the European Mutual Recognition Agreement and by intensifying drug inspections in developing countries.

- Improve FDA's ability to evaluate and target high risk imported bulk drug and finished drug products by developing automated reports on drug imports.

- Develop pilot inspection contracts in the area of medical gas manufacturing and other leveraging strategies, that will enable FDA to meet its statutory inspection obligation while focusing on risks in drug products. *(Human Drugs Performance Goal # 10)*

- Expand the ability of federal, State and local partnerships to improve drug safety by expanding the ability of FDA's partners to share data through the field data systems.

- Enhance the field data systems to provide summary data and automated analyses to support FDA's regulatory initiatives, identify high-risk products and foreign sources, and allow real time data sharing on adverse events so that FDA can make more effective and efficient use of resources.

- Recruit, hire and train new investigators and provide training, information technology and contract support to improve the scientific expertise of field investigators thus enabling them to conduct the premarket inspections that are essential to meet premarket review time frames.

- Replace outdated field laboratory drug analysis equipment with modern equipment to improve the accuracy and timeliness of drug product analyses to determine compliance with safety requirements.

- Establish Quality Management System procedures as a normal part of all field drug program activities to increase consistency and quality of field drug activities nationwide.

USER FEES

PREMARKET

Current Law User Fees +$2.2 million

Prescription Drug User Fee Act II (PDUFA II) + $ 2.25 million

FDA proposes to revise the distribution of projected spending of PDUFA fees for FY 2001 among the Human Drugs, Biologics, and Other Activities programs to reflect recent patterns of actual spending within the PDUFA program. This is similar to reallocations approved by the Appropriations Committees in both FY 1998 and FY 1999, and will not increase FDA's total spending for Other Activities. The net change for this reallocation is zero.

The reallocation within PDUFA is necessary to assure that PDUFA fee revenues are used to pay their fair share of the costs of FDA management (Other Activities). To make this change permanent, our FY 2001 budget request reflects our proposal to fully utilize these funds for Other Activities and possibly avoid a reprogramming later in the year. This $5 million of Salaries and Expenses funds will be made available to FDA operating programs (excluding Tobacco), as a partial alleviation of the cost impact of the recent 4.8 percent general pay raise.

The total PDUFA budget request for the Agency in FY 2001 is $149.27 million and 920 FTE, including $99.3 million and 620 FTE for the Human Drugs program. As a result of the proposal to reallocate PDUFA funds, the program will experience a decrease of $3.5 million, the difference between the $5.7 million reallocation from the Human Drugs program and a $2.245 million increase in inflationary costs. The user fees have enabled FDA to improve its performance for drug review and approval times. In FY 1991, the median approval time for human drug applications was 21 months. For all open cohorts during FY 1999, the Human Drugs program took 185 actions on New Drug Applications (NDA), 77 of which were approvals and the median approval time was 11.9 months. The fees collected in FY 2001 will enable the FDA to continue to meet its PDUFA II performance goals, which include the following:

- Review and act on 90 percent of standard original NDA and PLA/BLA submissions filed during FY 2001 within 12 months of receipt, and review and act on 70 percent within 10 months of receipt.

- Review and act on 90 percent of priority original NDA and PLA/BLA submissions filed during FY 2001 within 6 months of receipt.

- Review and act on 90 percent of standard efficacy supplements filed during FY 2001 within 12 months of receipt, and review and act on 70 percent within 10 months of receipt.

- Review and act on 90 percent of priority efficacy supplements filed during FY 2001 within 6 months of receipt.

- Review and act on 90 percent of manufacturing supplements filed during FY 2001 within 6 months of receipt and review and act on 70 percent of manufacturing supplements requiring prior approval within 4 months of receipt.

- Review and act on 90 percent of Class 1 resubmitted original applications filed during FY 2001 within 4 months of receipt, and review and act on 70 percent within 2 months of receipt.

- Review and act on 90 percent of Class 2 resubmitted original applications filed within 6 months of receipt.

SPECIAL PROGRAM INITIATIVES

Countering Bioterrorism + $1.2 million, 3 FTE

FDA plays a critical role in the preparation for bioterrorist attacks by reviewing new drugs and drugs used in combination with other types of products to counter the effects of anthrax and other potential bioterrorism events. The Agency must also conduct Good Manufacturing Practice inspections of drug manufacturers whose products may be stockpiled as a part of the government's bioterrorist efforts. As part of the interagency effort FDA intends to:

- Participate in the planning and coordination of public health responses to bioterrorist attacks.

- Prepare field staff to safely seize, remove, and dispose of contaminated products by developing procedures and providing appropriate facilities and equipment.

- Develop inspection methods and procedures to assure the safety of regulated products at manufacturers and other establishments.

JUSTIFICATION OF BASE

The Human Drugs Program focuses on several primary initiatives that include meeting the mandates of the Food and Drug Modernization Act, the goals of the Prescription Drugs User Fee Act, continuing the Orphan Drug Program, and initiatives such as pediatric labeling that have a major impact on the public health. A brief description of base activities include:

- Regulate the testing of investigational new drugs (IND review), and evaluate new drug applications (NDAs) received from sponsors. *(Human Drugs Performance Goal # 1)*

- Support an active generic drugs program (ANDA review) with a focus on expanding the availability of high quality generic drug products to the public. *(Human Drugs Performance Goal # 3)*

- Review over-the-counter (OTC) drugs to ensure safety and effectiveness and to help consumers understand how to best use OTC products.

- Collect, evaluate, and act upon information on adverse events associated with marketed products.

- Ensure that the highest possible quality products are marketed by focusing on product quality standards and the compliance of manufacturers with standards established in the good manufacturing practices (GMP) regulations.

- Expand scientific capabilities to respond and contribute to major breakthroughs in pharmaceutical research and technology via research, continuing professional development and training, and continued collaborations with stakeholders. *(Human Drugs Performance Goal # 9)*

- Disseminate timely and accurate product information to the medical community and the public. *(Human Drugs Performance Goal # 12)*

- Focus on projects of special importance such as pediatric labeling, risk management and education and outreach.

- Continue the pilot program for research and training for clinical pharmacologists. Agency will award cooperative agreements to support post-doctoral training and research to study clinical pharmacology and biopharmaceutics issues related to new drug development and review.

- FDA continues to carry out a program encouraging the development of drugs, biologicals, medical devices and medical foods for rare diseases and conditions. Office of Orphan Products Development (OPD) staff meets with potential sponsors of orphan products to provide guidance on the development of these products as well as guidance on orphan product "designation" applications and issues. OPD also participates in internal FDA sessions and FDA meetings with sponsors about ongoing development of orphan products. In FY 1999, OOPD awarded new grants to 23 health and medical institutions for the study of rare diseases and conditions. The combination of new and reissued grant awards totaled $11.25 million. FDA anticipates a significant increase in the overall interest in the program in FYs 2000 and 2001, as well as more informational meetings, applications, and designation reviews.

· Increased program interest and activity results from recent Congressional initiatives which enhance the value of orphan designation. Renewal of the Federal tax credit associated with orphan product designation, establishing it with a "carry-back/carry forward" eligibility, and making it permanent, is one factor. Another is an exemption from the marketing application user fees for these designated products incorporated in the renewal of the agency's prescription drug user fee authority.

Human Drugs

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$252,887	$0	$252,887	2,459
FY 1997	$254,515	$0	$254,515	2,515
FY 1998	$262,248	$0	$262,248	2,429
FY 1999	$278,299	$0	$278,299	2,456
FY 2000 est.	$308,882	$0	$308,882	2,554

FOOD AND DRUG MODERNIZATION ACT OF 1997 (FDAMA):

· **Pediatric Exclusivity.** Published an annual list of approved drugs for which additional pediatric information may produce health benefits in the pediatric population. Granted pediatric exclusivity to seven products. Developed interactive pediatric web page at http://www.fda.gov/cder/pediatric to provide detailed information to the public regarding FDA's pediatric initiatives.

· **OTC Sunscreen Products.** Published the final rule for OTC sunscreen UVB drug products for the prevention of sunburn.

· **Fast Track Designation.** Expedited the review of new drugs intended to treat serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs. FDA approved two products under Fast Track for the treatment of HIV: Zioagen and Agenerase.

· **Pharmacy Compounding.** Created a special exemption to ensure continued availability of compounded drug products prepared by pharmacists to provide patients with individualized therapies not available commercially.

PREMARKET REVIEW

Prescription Drug User Fee Act of 1992 (PDUFA). Exceeded the progressively more stringent PDUFA performance goals for each successive fiscal year under PDUFA, despite unexpected, continued growth in the number of applications for original new drug applications (NDAs), resubmissions of original NDAs, efficacy supplements and manufacturing supplements to already approved marketing applications. PDUFA is a proven success for the industry, FDA, and consumers.

New Drug Evaluations. Took 185 actions on New Drug Applications (NDAs), 77 of which were approvals. The median approval time was 11.9 months, a one percent decrease in median approval time compared with FY 1998. Forty-nine of these NDAs were approved in 12 months or less. Of these 77 approvals, 27 were for new molecular entities (NMEs) – drugs that are chemically different in structure from those already on the market. The median approval time for NMEs was 9.0 months, a 25 percent decrease compared with FY 1998. Of the 27 NMEs, 19 were drugs given a priority review (products offering a significant improvement over currently marketed drugs).

NDAs and Supplemental NDA Approved for Accelerated Approval in FY 1999

Drug	Approval Time	Purpose
Ziagen (abacavir sulfate)	5.8 months	treatment of HIV-1 infection in adults and children
DepoCyt (cytarabine)	5.9 months	treatment of lymphomatous meningitis
Actiq (fentanyl citrate)		treatment of breakthrough cancer pain in patients with malignancies who are tolerant to opioid therapy
Temodar (temozolomide)		treatment of adult patients with refractory anaplastic astrocytoma
Synercid (dalfopristin/quinupristin)		treatment of vancomycin-resistant *Enterococcus faecium*
Doxil (doxorubicin hydrochloride) - *[Supplemental NDA]*	6.0 months	treatment of metastatic carcinoma of the ovary that is refractory to some chemotherapy regimens.

Approved 37 priority applications (19 NMEs, nine NDAs that were not NMEs, and 9 efficacy supplements).

Pharmacology/Toxicology. Improved guidance to conduct and evaluate modern toxicological programs that support rapidly progressing clinical trials and drug reviews. To speed the drug development process, FDA reviewed 56 carcinogenicity protocols for studies prior to their initiation. FDA is involved in a number of collaborative efforts with academia, industry and the

international community to evaluate the development and incorporation of new toxicological methods, both nationally and internationally.

Extended into two clinical pharmacology cooperative agreements with the University of Illinois at Urbana Champaign ($369,100) and with Meharry Medical College ($130,900).

Cancer. Successful implementation of the four initiatives from, *"Reinventing the Regulation of Cancer Drugs"* (released in 1996). The first initiative shortened approval times for cancer therapies by expanding the use of the accelerated approval mechanism. FDA approved three therapies under this mechanism in FY 1999. The second initiative expanded access of investigational agents to ensure that cancer patients in the US have access to potentially beneficial treatments approved by recognized foreign regulatory authorities, but are not yet marketed in the US. FDA found that few drug products approved outside of the US are considered similar or superior to those approved in the US. The third initiative included cancer patients in the review process. All FDA cancer therapy advisory committee meetings of the Oncologic Drugs Advisory Committee (ODAC) include an *ad hoc* member who has personal experience with the illness for which a product is being considered. The fourth initiative clarified regulations for exempting a marketed drug product from the requirements for an Investigational New Drug application (IND) when the drug is undergoing clinical testing in an unlabeled indication.

Over-the-Counter (OTC) Drug Products. Approved five new drug products and/or new indications for OTC marketing – Lamisil Cream (topical antifungal), Tagamet HB suspension (heartburn), and Pepsid AC Gelcap (heartburn), Zantac 75 Efferdose Tablet for the prevention of heartburn, and Children's Motrin Suspension for use in children six months to two years of age.

Fourteen monograph-rule making documents were published in the **Federal Register**, including the final rule for: alcohol warnings on anti-pyretic/analgesic products; professional labeling for aspirin, buffered aspirin, and aspirin in combination with antacid drug products; and the final rule for OTC stimulant laxative products to establish that the ingredients danthron and phenolphthalein are not generally recognized as safe and effective.

Pregnancy Labeling. Improved the current system of labeling products to make it more comprehensive and clinically meaningful by integrating input from multiple government agencies, consumer groups, medical experts, and the pharmaceutical industry.

Antibiotic Resistance. Addressed the growing problem of antibiotic resistance and its effects on drug development and regulation. Interacted with CDC on resistance activities, and NIH on developing a research plan to address the emergence of glycopeptide resistance in *Staphylococcus aureus*. Developed approaches to provide education on the problem of antibiotic resistance and to provide information on the appropriate use of antibiotics to health care professionals and to consumers. Developed statements to be added to antibacterial labels on antimicrobial resistance and the use of these products.

Bioterrorism. Developed regulatory policy options for stockpiling and using drug products that may be needed to respond effectively in the event of the deployment of biological weapons. Developed options for the resolution of issues; provided information on the regulatory status of various antibiotics for use against likely biological weapons; evaluated and recommended options for making unapproved products available; and provided recommendations for responding to a Department of Defense inquiry on stockpiling drug products. FDA is pursuing a collaborative relationship with the Centers for Disease Control to mutually facilitate the use of the IND mechanism for the distribution of unapproved products. This includes marketed products that are recognized by experts as the agent of choice for treatment or prophylaxis of infection following exposure to causative organisms for which the products are not approved.

Generic Drug Review. With the additional $1.0 million added to this program, approved 198 abbreviated new drug applications (ANDAs), 40 of which represent the first time a generic drug was available for the brand name product. Examples of first time approvals include: (1) Ranitidine tablets (over the counter), an H2 receptor histamine antagonist used in the treatment of ulcers (generic for Zantac 75 by Glaxo Wellcome), (2) Nicotine gum, an over-the-counter smoking deterrent (generic for Nicorette by SmithKline Beecham), (3) Cyclosporine oral solution, an agent used in prophylaxis of organ transplant rejection (generic for Neoral by Sandoz), and (4) Terazosin capsules, used for hypertension and benign prostatic hyperplasia (generic for Hytrin by Abbott Laboratories).

Issued tentative approval to 68 ANDAs. A tentative approval is issued to ANDAs awaiting expiration of patent(s) on a brand name drug. Examples of these tentative approvals include (1) Lovastatin tablets, a cholesterol lowering agent (generic for Mevacor by Merck & Co., Inc.), (2) Midazolam injection, an anesthetic agent (generic for Versed by Roche and (3) Fluoxetine capsules, an anti-depressant (generic for Prozac by Eli Lilly).

Decreased the number of review cycles from 2.7 to 2.4 cycles needed to approve abbreviated applications, as a result of FDA's initiative to contact applicants that undergo two or more major deficiency cycles.

SURVEILLANCE

Adverse Event Reporting System (AERS). Received approximately 261,000 individual safety reports (ISR) into AERS. FDA evaluates this spontaneous reporting data from AERS to identify any serious, rare, or unexpected adverse events or an increased incidence of events.

Establishment Inspections. Conducted 773 domestic establishment evaluations for Good Manufacturing Practices compliance in support of New Drug Applications. An additional 1,775 domestic establishment evaluations were conducted in support of ANDAs. Over 200 foreign establishment inspection reports (EIRs) were reviewed. The majority were in support of NDAs or ANDAs and covered the production processes including testing of an active pharmaceutical ingredient.

Recall and Drug Shortages. Recalled over 400 drugs, 16 of which were classified as Class I. (A Class I recall is a situation in which there is a reasonable probability that the use of or exposure to a violative product will cause serious adverse health consequences or death). Managed 10 drug shortage situations to assure the availability of medically necessary drug products to treat serious life threatening diseases, e.g., myasthenia gravis, tuberculosis, AIDS and cancer.

RESEARCH

The Product Quality Research Initiative (PQRI). Began PQRI to conduct collaborative research with scientists from academia, industry, and FDA in the areas of pharmaceutical chemistry, biopharmaceutics, and science management to identify better test methods for assessing quality of products, identify optimal manufacturing and management processes. This collaboration will enable consistent and reasonable requirements for all product quality information submitted in a regulatory filing and will streamline the drug development and approval processes for industry and FDA.

OUTREACH

Improved communication with consumers and patients through seminars on new drug therapies and labeling; brochures for consumer and patient use; information available via the Internet; programs to make promising investigational drugs, and therapies available to patients with serious and life-threatening diseases; assuring that patient representatives are included on advisory committees considering products for HIV/AIDS, cancer and other serious diseases; and disseminating information about new and existing products.

Developed easy to read, user-friendly information for consumer in partnership with the American Pharmaceutical Association, the National Consumers League, and the National Council on Patient Information and Education. Provided consumer focused information on new and innovative drugs approvals via a new drug page at www.fda.gov/cder/consumer info/default.htm. Implemented public information campaigns, including the dangers of GHB and GBL, Y2k and Medicines, and Over-the Counter Labeling.

Expanded the pharmacist education outreach program to help pharmacists better explain the drug approval process to consumers. Updated the publication: **From Test Tube to Patient: New Drug Development in the US** (www.fda.gov/fdac/special/newdrug/ndd_toc.html) which describes the drug development process in lay terms for the public.

Electronic Submissions. Expanded Electronic Document Room was expanded to manage the receipt and handling of full electronic NDAs. Conducted workshops to assist industry in preparing their electronic submissions, and classes were held for FDA reviewers to train them on how to use the electronic documents. FDA received 36 NDAs that included some electronic components and nine full electronic NDAs.

Expanded the electronic document management system (EDMS). Approximately 47,000 review documents have been filed using the system which gives reviewers the capability to electronically capture, sign, and archive their regulatory review products. The Agency also completed a requirements analysis and product evaluation and conducted a pilot for a new electronic document query capability that will allow reviewers to access any electronic document directly from the desktop. These activities should help reduce review times.

Enforcement Initiatives: Enforcement Actions – Reviewed legal or administrative enforcement actions initiated by the Agency to protect consumers by removing violative products from commerce or to obtain compliance with the law. These included:

Recall and seizures. Monitored 3,756 product recalls and seizure of 25 products. As a result, numerous violative, potentially harmful products never reached consumers.

- **Mass Seizures** in New York and Arizona of approximately $50 million worth of sterile injectable drug products manufactured by Steris Laboratories, Inc., and distributed by its parent corporation, Schein Pharmaceutical, Inc. This protected consumers from products manufactured under conditions that failed to assure their sterility.

- **Warning Letters.** Sent approximately 900 to firms/individuals, with most achieving correction without further regulatory action.

- **Gamma butyrolactone (GBL)** enforcement actions prevented potentially hazardous products from reaching consumers. Regulated the marketing of Gamma butyrolactone (GBL), a product that is a precursor to the potent unapproved drug, Gamma Hydroxybutyrate (GHB). Seized product at two GBL distributors.

New Import Alerts in 1999 covered food, drugs (animal and human), biologic, medical device, radiation emitting devices, and cosmetic products. Examples include: bacterial contamination in mouth rinse (IA 53-20); neo-natal kidney cells (IA 57-13); allergy patches (IA 57-15); and non-sterile plastic bandages (IA 79-01).

Import Automation: Enhanced the Operational and Administrative System for Import Support, (OASIS) to allow screening of electronic import entries for attributes previously not possible using the U.S. Customs ACS system.

Inspectional Initiatives:

- EU Mutual Recognition Agreement (MRA): Participated in workgroups to review laws and regulations of the European Union, and to develop inspection report formats. Planned on-site assessments of the inspection programs and processes in the member states of the EU for the pharmaceutical annex for FY 2000.

· International Inspection Program Expanded: Completed almost 900 inspections of manufacturers of human pharmaceuticals, veterinary pharmaceuticals, high risk foods including seafood, medical devices including TVS, microwaves, computer monitors, and military blood bank and military MQSA facilities.

Orphan Drugs Program

· Approved the 200th designated orphan product, a milestone for FDA's Orphan Product Program, which treats more than 10 million patients in the United States.

· Reviewed 94 new sponsor requests for designation of drugs as orphan products. As part of the request for designation, sponsors are required to submit data that adequately demonstrates the use of their product for diseases or conditions affecting fewer than 200,000 people in the US, or that it meets economic qualifications. Based on OPD reviews, 78 (up 16 percent from 1998) drugs and biological products received designation as orphan products during the year. FDA estimates that past levels of sponsor orphan designation applications may soon be doubled.

· Nineteen designated orphan drugs were approved for marketing:

Alitretinoin: Topical treatment of cutaneous lesions in patients with AIDS-related Kaposi's sarcoma.

Amifostine: Reduction of the incidence of moderate to severe xerostomia in patients undergoing post-operative radiation treatment for head and neck cancer.

Antihemophilic factor/von Willebrand factor complex(human), dried, pasteurized: Treatment and prevention of bleeding in hemophilia A(classical hemophilia) in adult patients; and treatment of spontaneous and trauma-induced bleeding episodes in severe von Willebrand disease, and in mild and moderate von Willebrand disease where use of desmopressin is known or suspected to be inadequate in adult and pediatric patients.

Atovaquone: Prevention of Pneumocystis carinii pneumonia (PCP) in high-risk, HIV-infected patients defined by a history of one or more episodes of PCP and/or a peripheral CD4+ (T4 helper/inducer) lymphocyte count less than or equal to 200/mm3.

Bexarotene: Treatment of cutaneous manifestations of cutaneous T-cell lymphoma in patients who are refractory to at least one prior systemic therapy.

Busulfan: As preparative therapy in the treatment of malignancies with bone marrow transplantation.

Caffeine: Treatment of apnea of prematurity.

Coagulation factor VIIa (recombinant): Treatment of bleeding episodes in hemophilia A or B patients with inhibitors to Factor VIII or Factor IX.

Cytarabine liposomal: Treatment of neoplastic meningitis.

Denileukin diftitox: Treatment of patients with persistent or recurrent cutaneous T-cell lymphoma whose malignant cells express the CD25 component of the IL-2 receptor.

Doxorubicin liposome: Treatment of ovarian cancer.

Epirubicin: Treatment of breast cancer.

Etanercept: Reduction in signs and symptoms of moderately to severely active polyarticular-course juvenile rheumatoid arthritis in patients who have had an inadequate response to one or more disease-modifying anti-rheumatic drugs.

Exemestane: Treatment of advanced breast cancer in postmenopausal women whose disease has progressed following tamoxifen therapy.

Levocarnitine: Treatment of manifestations of carnitine deficiency in patients with end stage renal disease who require dialysis.

Lidocaine patch 5 percent: For relief of allodynia (painful hypersensitivity), and chronic pain in post-herpetic neuralgia.

Nitric oxide: Treatment of persistent pulmonary hypertension in the newborn.

Somatropin(rDNA origin): Long-term treatment of children who have growth failure due to a lack of adequate endogenous growth hormone secretion.

Temozolomide: Treatment of recurrent malignant glioma.

Human Drugs
Program Activity Data

Program Workload and Outputs	1999 Actual Estimate	2000 Estimate	2001 Estimate
Total New Drug Application (NDA) Reviews	185	195	203
NDAs approved	77	80	84
Time from Receipt to Approval (mos.)(mean)	(12.9)	(12.7)	(12.5)
Time from Receipt to Approval (mos.)(median)	(11.9)	(11.7)	(11.6)
NDA Supplemental Reviews	2,475	2,510	2,550
Abbreviated New Drug Application (ANDA) Actions [1]	934	934	1,000
ANDA Approvals	194	194	194
Average Review Time from ANDA Receipt to Approval (mos.)	19.9	21	20
ANDA Supplemental Actions [2]	4,320	4,320	4,320
INDs (Active)	12,757	12,800	12,850
Clinical Pharmacology/ Biopharmaceutic Reviews	1,435	1,450	1,450
Inspections – FDA – Domestic (except BIMO)	2,363	2,400	2,500
Non-clinical/Clinical Study Inspections – Foreign & Domestic (BIMO)	666	700	730
Inspections – FDA – Foreign	292	300	340
Inspections – State Contract	0	0	#
Inspections – State Partnership	125	130	130
Postmarketing Surveillance Samples Analyzed [3]	136	127	127
OTC Monographs Under Development	15	15	15
Adverse Reaction Reports	261,000	300,000	345,000
Drug Quality Reporting System Reports	2,050	2,250	2,400

1 ANDA actions include total of approvals, not approvables, tentative approvals, and faxed deficiencies.

2 Chemistry, Manufacturing, & Controls and Labeling Supplements. Also includes global supplements.

3 Includes postmarket samples analyzed in St. Louis, MO and Laurel, MD only.

FDA intends to solicit state contracts via the Federal Register. No states have entered into firm commitments, but have expressed interest.

Biologics

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriation[1]	$124,365	$132,827	$132,703	$20,776	$153,479
FTE	989	1,017	1,016	48	1,064

1/ Includes Salaries & Expenses, Rent and PDUFA, where applicable.

EXPLANATION OF PROGRAM

The availability of safe and effective biological products for disease prevention and treatment, and the assurance of the safety of the nation's blood supply are essential elements of the nation's health-care-delivery system. FDA is responsible for assuring that blood and blood products, blood test kits, bacterial vaccines and antigens, viral vaccines, therapeutic agents, and other biological products intended for use in the prevention, diagnosis, and treatment of disease in humans are pure, potent, safe, and effective, as well as properly labeled for their intended uses.

FDA's Biologics Program includes registration and inspection of blood banks and other firms processing blood; licensing and inspection of firms collecting human source plasma; evaluating and licensing biologics manufacturing firms and products; lot release of licensed products; removal of ineffective, unsafe, or improperly labeled products from the market; development of necessary regulations, compliance programs and guidelines; and conduct of mission-related research, in concert with other HHS public health agencies, academia, and industry, to further the development of new products and to provide a sound scientific basis for regulation. FDA ensures that vaccines are safe and effective through evaluation of products, the manufacturing process, and by monitoring adverse events associated with immunization. The Agency seeks to facilitate the development of the safest and most effective childhood vaccines by sponsoring and conducting research toward their development.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $7.3 MILLION, 30 FTE

Bringing Products of New Technology to Market + $7.3 million, 30 FTE

In order to speed the availability of new products to the market, the Center for Biologics Evaluation and Review (CBER) has focused on developing mechanisms to most effectively and efficiently complete the review process. Resources are needed to address the following areas:

- Implement the Center's Managed Review Process, which is a system designed to most effectively and efficiently review all license applications and supplements. This process provides mechanisms to solve problems and address issues at key development and review stages, through interactions with CBER and the sponsor. This process substantially streamlines the entire review process from pre-pivotal trials in the Investigational New Drug Application (IND) phase through post marketing and results in a shorter review cycle for applications. *(Biologics Performance Goals # 1, 2, 3, 4)*

- Provide the necessary scientific expertise to expedite the review and approval of non-PDUFA biological product applications by recruiting, training, and retaining qualified application reviewers. Additional scientific review staff will facilitate the review of product applications, initiate opportunities for use of academia, the National Institutes of Health (NIH), and other entities to participate on the review of new, specialized products, and ensure evaluation of biological product applications is accomplished pursuant to a science-based approach. In addition, scientific review staff will ensure that regulatory decisions reflect a state-of-the-art scientific understanding through collaborations with NIH, the Centers for Disease Control and Prevention (CDC), and the Health Resources and Services Administration (HRSA) on emerging technology in areas such as xenotransplantation, cell and gene therapies, and tumor vaccines. Additional resources will permit the continuing professional development of the scientific review staff which is the foundation of the application review process.

- Improve the quality and safety of the nation's blood supply by improving or developing diagnostic tests and identifying validation criteria important to maintaining surveillance of blood and blood products. This will reduce the threat of emerging blood-borne infectious diseases being transmitted through blood and blood product transfusions.

- Improve our ability to ensure the safest and most effective vaccines. This can be accomplished through increased laboratory testing and evaluation of vaccine safety and purity; exploring new approaches for the fuller evaluation of vaccines before they are widely used; and developing new approaches to testing for the presence of unknown or previously undetected agents in vaccines. This will increase the safety of vaccines, and reduce the risk of disease transmission though vaccines. FDA will also pursue the use of IAGs, and CRADAs with outside organizations.

- Develop influenza vaccine strains with industry, CDC and NIH. The Agency reviews and approves annual influenza vaccines to address pandemic flu outbreaks. Resources are needed to improve the range of activities related to the availability of approved influenza vaccines on an annual basis. These activities include: producing influenza virus strains that can be used for large scale manufacturing; developing biological materials to assess potency; conducting research to improve vaccines and to understand how to produce safe and effective vaccines as quickly as possible; and evaluating reports of side-effects after marketing. This will increase the public health by reducing the incidence or severity of influenza.

- Enhance the availability of new products and ensure an increased level of safety against novel pathogens in blood and blood products, vaccines, novel therapies and products manufactured from transgenic plants and animals, and used in patients who are immuno-compromised, through the development of science-based standards and guidance to industry. This will make new and novel products available quicker. Resources will be used to conduct workshops with industry and academia on research-related issues and to collaborate with outside organizations and other government agencies.

- Expand bioresearch monitoring activities to assure the protection of human subjects, that clinical investigations are properly conducted and that premarket approval goals are met.

- Improve the consistency, quality and usefulness of inspections by developing and using computerized inspectional guidance software that provides investigators with specific program guidance, laws, and regulations necessary for them to conduct scientific risk based biologics inspections.

To make the Biologics application review process more efficient, and to make safe and effective emerging biotech biological products available as quickly as possible.[2]

POSTMARKET INITIATIVES + $4.8 MILLION, 20 FTE

Medical Errors + $2.8 million, 8 FTE

The Institute of Medicine's (IOM) 1999 report on medical errors emphasized the need for the American medical community to reevaluate practices and procedures that may lead to fewer deaths. Additional resources of $2.8 million in this area will be used in FY 2001 to do the following:

- Design and develop up-to-date reporting systems that permit users of biological products to report problems, product defects, and potential adverse reactions to the Agency. Reporting systems and computer models leverage the observations of millions of product users, and are capable of detecting unusual trends or rare problems.

· Expand the reporting system for the collection of error and accident events that occur during manufacturing processes or storage of products from blood product manufacturers and blood banking facilities. The errors and accidents system increases FDA's ability to recognize and react appropriately to situations of unsafe or ineffective biological products to protect the public health and minimize the costs of adverse events.

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[2] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

- Develop a pilot program to link FDA to external databases with health-care organizations to enhance our ability to monitor the public health impact of FDA regulated products. This will permit the early detection and recall or withdrawal of unsafe or ineffective products.

- Designing, developing, and implementing a surveillance system requires high-level expertise and experience in a variety of disciplines including, epidemiology, statistics, computer science, microbiology, chemistry, pharmacy, pharmacology, toxicology, forensic science, and clinical medicine. The Agency will explore the feasibility of interagency agreements (IAGs), cooperative research and development agreements (CRADAs) and contracts with outside experts to contribute to the evaluation of system needs and the development of the system.

- Provide training for field staff to improve the information gathered through investigation of consumer complaints and upgrade field data systems to provide consumer complaint data that complements AERS.

To reduce the number of deaths attributable to medical errors by detecting products causing adverse reactions quickly and taking actions to reduce patient risks.

Inspectional Activities + $2.0 million, 12 FTE

FDA will increase the inspectional coverage rate of both domestic and foreign establishments while the overall inventory continues to expand. The request for $2.0 million, inspectional activities will be used to:

- Improve the confidence that FDA has in the safety of foreign biologic products by implementing the European Mutual Recognition Agreement and by intensifying biologic inspections in developing countries.

- Enhance the field data systems to provide summary data and automated analyses to support FDA's regulatory initiatives, identify high-risk products and foreign sources, and allow real time data sharing on adverse events so that FDA can make more effective and efficient use of resources.

- Improve FDA's ability to evaluate and target high risk imported bulk biologic and finished biologic products by developing automated reports on biologic imports.

- Expand establishment inspection activities applying a risk based strategy and certified field investigators.

- Provide information technology and contract support to improve the scientific expertise of field investigators enabling them to conduct the inspections that are essential to meet statutory obligations and premarket review time frames.

- Establish Quality Management System procedures as a normal part of all field biological program activities to increase consistency and quality of field biologic activities nationwide.

- Improve industry compliance through field participation in workshops designed to educate industry in new biological product areas such as therapeutics, vaccines, and allergens.

- Expand the ability of federal, state and local partnerships to improve biologic safety by expanding the ability of FDA's partners to share data through the field data systems.

- Develop pilot inspection contracts for unlicensed blood banks and other leveraging strategies, which will enable FDA to meet its statutory inspection obligation while focusing on risks in biological products.

USER FEES

PREMARKET

Current Law User Fees +$0.8 million

Prescription Drug User Fee Act II (PDUFA II) + $1.5 million

FDA proposes to revise the distribution of projected spending of PDUFA fees for FY 2001 among the Human Drugs, Biologics, and Other Activities programs to reflect recent patterns of actual spending within the PDUFA program. This is similar to reallocations approved by the Appropriations Committees in both FY 1998 and FY 1999, and will not increase FDA's total spending for Other Activities. The net change for this reallocation is zero.

The reallocation within PDUFA is necessary to assure that PDUFA fee revenues are used to pay their fair share of the costs of FDA management (Other Activities). To make this change permanent, our FY 2001 budget request reflects our proposal to fully utilize these funds for Other Activities and possibly avoid a reprogramming later in the year. This $5 million of Salaries and Expenses funds will be made available to FDA operating programs (excluding Tobacco), as a partial alleviation of the cost impact of the recent 4.8 percent general pay raise.

The total PDUFA budget request for the Agency in FY 2001 is $149.27 million and 920 FTE, including $32.2 million and 204 FTE for the Biologics program. As a result of the proposal to reallocate PDUFA funds, the program will experience an increase of $1.5 million. The revenues generated from the fees paid by the pharmaceutical and biological prescription drug industries will

be dedicated to continuing to improve and expedite the prescription drug application review and approval process. The fees collected in FY 2001 will enable the FDA to continue to meet its PDUFA II performance goals, which include the following:

- Review and act on 90 percent of standard original NDA and PLA/BLA submissions filed during FY 2001 within 12 months of receipt, and review and act on 70 percent within 10 months of receipt.

- Review and act on 90 percent of priority original NDA and PLA/BLA submissions filed during FY 2001 within 6 months of receipt.

- Review and act on 90 percent of standard efficacy supplements filed during FY 2001 within 12 months of receipt, and review and act on 70 percent within 10 months of receipt.

- Review and act on 90 percent of priority efficacy supplements filed during FY 2001 within 6 months of receipt.

- Review and act on 90 percent of manufacturing supplements filed during FY 2001 within 6 months of receipt and review and act on 70 percent of manufacturing supplements requiring prior approval within 4 months of receipt.

- Review and act on 90 percent of Class 1 resubmitted original applications filed during FY 2001 within 4 months of receipt, and review and act on 70 percent within 2 months of receipt.

- Review and act on 90 percent of Class 2 resubmitted original applications filed within 6 months of receipt.

SPECIAL PROGRAM INITIATIVES

Countering Bioterrorism + $6.5 million, 14 FTE

FDA plays a critical role in the preparation for bioterrorist attacks by reviewing new drugs and vaccines to counter the effects of anthrax and other potential bioterrorism events. The Agency must also conduct Good Manufacturing Practice inspections of drug manufacturers whose products may be stockpiled as a part of the government's bioterrorist efforts. As part of the interagency effort FDA intends to:

- Expand efforts to test and produce DNA vaccines against the lethal factor and edema factor of anthrax and further develop an Ebola DNA vaccine. Explore the use of DNA vaccines for smallpox and the use of RNA vaccines against some of the encephalitis-causing alphaviruses. Expand efforts to develop non-DNA-based vaccines. This will

increase the protection of the American public and the military against potential bioterrorist biological agents.

- Initiate or expand programs on pathogenesis and mechanisms of immunity for a variety of pathogens including anthrax, tularemia, plague, and viral hemorrhagic fever causing viruses. The development of vaccines is often facilitated by detailed knowledge of disease pathogenesis and mechanisms of immunity. This will increase the effectiveness of bio-defense vaccines. The Agency will utilize IAGs, CRADAs and contract fellows to participate in appropriate areas.

- Develop microarray technology to rapidly detect the presence of nucleic acids, oligonucleotides, and RNA fragments. Microarray technology is cutting edge technology using viral genomes to produce signals that rapidly screen for potential viruses. This will increase ability to identify the pathogenic organisms.

- Improve scientific expertise in monoclonal antibody therapies, new approaches in the use of biotherapeutics, animal and human derived immune globulins in the treatment of viral and bacterial diseases and in the area of emerging infectious diseases. Antibodies are immune-system proteins that attack foreign invaders like germs – or that neutralize substances the body is over-producing. Monoclonal antibodies are artificial, highly purified antibodies, made by combining animal and human genetic material, that work with exquisite precision in small doses. This will enhance our ability to identify, treat and test for previously unrecognized threats.

- Participate in the planning and coordination of public health responses to bioterrorist attacks.

- Prepare field staff to safely seize, remove, and dispose of contaminated products by developing procedures and providing appropriate facilities and equipment.

- Develop inspection methods and procedures to assure the safety of regulated products at manufacturers and other establishments.

To contribute to the Nation's capabilities to respond to potential biological threats from bioterrorism, including the development of new vaccines and therapeutics.

JUSTIFICATION OF BASE

FDA will continue to ensure that blood and blood products, blood test kits, bacterial vaccines and antigens, viral vaccines, therapeutic agents, and other biological products intended for use in the prevention, diagnosis, and treatment of disease in humans are pure, potent, safe, and effective, as well as properly labeled for their intended uses.

FDA will continue its activities associated with the biologics program, including:

- Registration and inspection of blood banks and other firms processing blood.
- Licensing and inspection of firms collecting human source plasma.
- Evaluating and licensing biologics manufacturing firms and products.
- Lot release of licensed products.
- Removal of ineffective, unsafe, or improperly labeled biological products from the market.
- Development of necessary regulations, compliance programs and guidelines relating to biological products such as blood and blood products, vaccines and therapeutics.
- Conduct of research, in concert with other DHHS public health agencies, academia, and industry, to provide a sound scientific basis for their regulation, and to further the development of new biological products.
- FDA will continue its activities to ensure that vaccines are safe and effective through evaluation of products, their manufacture, and by monitoring adverse events associated with immunization.

Countering Bioterrorism – One-time Supplemental

In FY 2000, the Biologics Program received $7.5 million one-time funding from the Department's Public Health and Social Services Emergency Fund to begin the process of developing the necessary expertise and infrastructure to address regulatory activities for the Presidential Initiative to counter bioterrorism. The one-time funding will be used for activities to expeditiously develop and license new vaccines for anthrax and smallpox and the associated vaccinia immune globulin (VIG) products used to treat or prevent serious vaccinia infections brought on by the smallpox vaccine.

Biologics

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$117,306	$0	$117,306	1,010
FY 1997	$122,640	$0	$122,640	1,070

FY 1998	$123,012	$0	$123,012	1,027
FY 1999	$124,365	$0	$124,365	989
FY 2000 est.	$132,703	$0	$132,703	1,017

· Fast Track Designation. Published a guidance entitled that informs sponsors of new products intended for treatment of a serious or life-threatening condition, which demonstrate the potential to address unmet medical needs, and that may be eligible for designation as fast track.

Blood Safety and Availability

· Approved the first biologic for von Willebrand's Disease (vWD), the clotting disorder. The new indication for a plasma-derived product called Antihemophilic Factor/von Willebrand Factor Complex (Human), is marketed as Humate-P by Centeon L.L.C. of Kankakee, Illinois.

· Continued to implement the Blood Action Plan, which is designed to increase the effectiveness of its scientific and regulatory actions, and to ensure greater coordination with FDA's Public Health Service (PHS) partners. The Action Plan addresses highly focused areas of concern such as emergency operations, response to emerging diseases, updating and reinvention of regulations, monitoring the blood supply, ensuring compliance of plasma fractionation establishments, and blood donor/recipient notification and lookback.

· Completed the systematic update of the blood regulations. As a result, the number of outdated blood regulations was reduced; the number of guidance documents lacking enforceability have been reduced; and the blood industry's compliance with standards has increased.

· Responded to challenges by blood-borne pathogens for which there are no vaccines or adequate therapies. Blood supplies are constantly exposed to the dangers posed by these pathogens, which include HIV, Hepatitis B and C, HTLV I & II, Cytomegalovirus (CMV), Transmissible Spongioform Encephalopathies (TSE) and others. Because most of these blood-borne contaminants have successfully evaded therapeutic and vaccine treatments, the current strategy for protecting the public health is to test and disqualify donors and blood donations found to be contaminated with known pathogens.

Developments in Vaccines

· Licensed the first vaccine to aid in the prevention of Lyme disease. Lyme disease is transmitted to people through the bites of ticks infected with the bacterium Borrelia

burgdorferi. The new vaccine LYMErix, is approved for use in people 15 to 70 years of age who live or work in grassy or wooded areas where Lyme disease-bearing ticks are present. LYMErix is marketed by SmithKline Beecham Pharmaceuticals of Philadelphia, Pennsylvania.

· Participated in the National Vaccine Advisory Committee (NVAC) – sponsored workshop on thimerosal for vaccines to examine ways to reduce or eliminate the use of mercury-based thimerosal as a preservative in childhood vaccines.

Cellular and Tissue-Based Products

· Licensed the first genetically engineered treatment for rheumatoid arthritis (RA). This incurable disease occurs when the body's immune system mistakenly turns against the joints. Etanercept, marketed under the trade name Enbrel by Immunex Corporation, Seattle, Washington, and Wyeth Ayerst Laboratories, Philadelphia, Pennsylvania, will offer an alternative to the more than two million Americans.

· Approved Thymoglobulin, a drug used to aid in the treatment of acute rejection in renal transplant patients and is manufactured by Pasteur Meriex Serums of Lyon, France.

· Initiated a Xenotransplantation Action Plan to address the risks of introducing infectious diseases into the human population from xenotransplantation procedures. Xenotransplantation is any procedure that involves the use of live cells, tissues, or organs including a non-human animal source transplanted or implanted into a human, or used with ex-vivo contact with human body fluids, cells, tissues or organs that are subsequently given to a human recipient.

Prescription Drug User Fee Act (PDUFA)

The PDUFA established performance goals for the evaluation of applications for marketing drug and certain biological products. Review performance monitoring is done in terms of fiscal year cohorts, e.g., the FY 1998 cohort includes applications received from October 1, 1997 through September 30, 1998. Fiscal year cohort performance is not immediately measurable at the end of the fiscal year. The measurable outcome will occur either 6 or 12 months after the last submission received during the fiscal year, depending upon the category of submission. FDA has met or exceeded all its performance goals.

The FY 1999 cohort review performance goals were:

· Review and act on 90 percent of standard original NDAs and PLAs/BLAs filed during FY 1999 within 12 months of receipt and review and act on 30 percent within 10 months or receipt.

- Review and act on 90 percent of priority original NDA and PLA/BLA submissions filed during FY 1999 within 6 months of receipt.

- Review and act on 90 percent of standard efficacy supplements filed during FY 1999 within 12 months of receipt and review and act on 30 percent within 10 months of receipt.

- Review and act on 90 percent of priority efficacy supplements filed during FY 1999 within 6 months of receipt.

- Review and act on 90 percent of manufacturing supplements filed during FY 1999 within 6 months of receipt and review and act on 30 percent of manufacturing supplements requiring prior approval within 4 months of receipt.

- Review and act on 90 percent of Class 1 resubmitted original applications filed during FY 1999 within 4 months of receipt, and review and act on 50 percent within 2 months of receipt.

- Review and act on 90 percent of Class 2 resubmitted original applications received during FY 1999 within 6 months of receipt.

Biologics
Program Activity Data

Program Output	1999 Actual	2000 Estimate	2001 Estimate
Total Original License Application (PLA/ELA/BLA) Reviews[1]	134	140	145
PLA/BLA Approval	91	95	100
Mean PLA/BLA Approval Time (months)	8.3	8.0	7.5
Median PLA/BLA Approval Time (months)	3.9	3.9	3.5
License Supplement (PLA/ELA/BLA) Reviews[1]	1,805	1,900	1,950
NDA & NDA Supplement Approvals	33	35	40
PMA & PMA Supplement Reviews[1]	25	30	30
510(k) Reviews[1]	101	110	110
Commercial IND/IDE Receipts	239	250	275
IND/IDE Amendments Receipts[2]	12,445	13,000	13,100
Active INDs/IDEs	3,300	3,500	3,500
Non-Clinical/Clinical Study Investigations (BIMO Inspections)	93	100	110
Inspections[3]	2,104	2,200	2,300
Adverse Reaction Report Reviews[4]	21,682	22,000	22,300
Error and Accident Report Received	15,532	16,000	17,000

[1] Total of approval, approvable, not approvable and complete decisions. Does not include refuse-to-file decisions or withdrawals.

[2] Includes IND, IDE, Master File and license master files receipts.

[3] An inspection is any visit to an establishment during which all or part of one or more phases of that establishment's operation is evaluated against appropriate agency requirements.

[4] Includes MedWatch, Foreign reports and VAERS reports.

Animal Drugs and Feeds Program

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriation[1]	$43,253	$48,821	$48,713	$14,048	$62,761
FTE	393	431	430	18	448

1/ Includes Salaries & Expenses, Rent and PDUFA, where applicable.

EXPLANATION OF PROGRAM

The Animal Drugs and Feeds Program assures safety using a strong science base. Specifically the program ensures that: 1) only safe and effective animal drugs, devices, feeds and feed additives are marketed; 2) foods from animals that are administered drugs and food additives are safe for human consumption; and 3) safe and effective products continue to be available for use to alleviate pain, suffering, and death in animals.

The Agency strives to increase the availability and diversity of products by processing New Animal Drug Applications and Food Additive Petitions as quickly as possible while ensuring safety and effectiveness. Only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals, and the improved production of food-producing animals are approved for marketing. Surveillance activities also minimize threats to human and/or animal health which might arise as a result of the use of marketed animal products. This is accomplished through review of drug experience reports, adverse experience reporting, and nationwide inspections/investigations, which identify adverse reactions to drugs as well as potential drug shortages that could adversely affect US agriculture. FDA works with other government agencies such as United States Department of Agriculture to educate the animal industry about proper drug use, partners with the regulated industry to identify and correct problems related to laboratory and manufacturing practices, and takes regulatory/legal action to prevent the marketing of harmful products.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $3.9 MILLION, 9 FTE

Bringing Products of New Technology to Market + $3.9 million, 9 FTE

Limited scientific knowledge delays health and safety benefits and may lead to over-regulation because of inadequate understanding of the risks involved. Requested resources will be used to improve the premarket process through:

- Reduce industry burden by developing guidances that accurately reflect the current veterinary medicated feed and drug approval/monitoring processes. This aids industry in reducing FDA's animal product development time and shortening the premarket review process. *(Animal Drugs and Feeds Performance Goal # 3)*

- Provide, through leveraging, a reengineered and improved premarket review infrastructure with information systems to support electronic submission of applications, internal guidance development, document tracking/management, quality assurance/quality control, and bioresearch monitoring, bringing safe new products to the market faster. *(Animal Drugs and Feeds Performance Goal # 4)*

- Develop criteria for evaluating the safety of biotech foods used for animal feeds and set safety standards for the industry to follow, which will ensure the safety of animal feeds using biotech foods.

- Recruit and hire new reviewers to increase all premarket reviews within the statutory time frames from 65 percent to 70 percent, which will reduce drug development times, therefore benefitting both industry and the public. *(Animal Drugs and Feeds Performance Goal # 2)*

- Raise the level of scientific review expertise through professional development activities, and develop a staff college educational program that will leverage intellectual resources by bringing in outside scientists from academia and industry. This would help meet the challenges of rapidly changing technology and to make prompt review decisions based on sound science. Animal Drug and Feed scientists and regulatory personnel need to maintain their expertise in order to keep pace with changing technology and scientific advances. Veterinary medicine is compounded by the fact that the effects of many animal products are

species dependant, with products metabolized differently in different classes of animals, and that FDA scientists review residue depletion and bioequivalency data that are not required for approval of human drugs. *(Animal Drugs and Feeds Performance Goal # 5)*

· Provide training, information technology and contract support to improve the scientific expertise of field investigators thus enabling them to conduct the premarket inspections that are essential to meet premarket review time frames.

POSTMARKET INITIATIVES + $2.6 MILLION, 9 FTE

Adverse Event Reporting System (AERS) + $0.6 million, 3 FTE

Even though animal drugs go through an extensive review and approval before they are marketed, there may be some drug interactions that were not anticipated when the drug is used in a compromised animal such as a cow that is suffering from pneumonia or a pig with enteritis. To detect these problems animal products are monitored and additional information is gathered on the safety and effectiveness of the product in actual use in the general population. Drug Experience Reports (DERs) and Adverse Experience Reports (AERs) provide information about marketed products including contraindications. The animal health industry and veterinary professionals rely on the publication of such information to guide the use of marketed products, and in some cases, drugs are taken off the market because of unacceptable hazard to animal health. AERs reviewers are responsible for over 1,200 products and 12,000 Adverse Experience Reports (AERs) annually. Currently FDA has a backlog of 6,000 AERs, causing reports to be triaged, which ensures that only the most serious health hazards are evaluated. Increased funding will provide for:

· Additional document support process contractor staff, and provide for maintenance and data entry and evaluation enhancements. This will reduce in-depth review times for pending AERs, improve the quality of assessing and managing risk identified from AERs to prevent the backlog from growing, and reducing Oracle database and document control unit costs.

Increase the number of AERS triaged within 60 days by 20 percent, thoroughly reviewed by 10 percent, and improve risk assessment and management by 10 percent.[2]

Inspectional Activities + $2.0 million, 6 FTE

FDA will increase the inspectional coverage rate of both domestic and foreign establishements while the overall inventory continues to expand. The request for $2.0 million for inspectional activities will be used to:

[2] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

- Improve biennial inspection coverage by three percent by inspecting 30 percent of registered animal drug and feed establishments. Biennial inspections ensure that products are manufactured according to good manufacturing practices, and allow FDA to work with the regulated industry to correct deficiencies that could result in inaccurate formulations, incorrect directions on labels, or contamination problems. *(Animal Drugs and Feeds Performance Goal # 7)*

- Implement the European Mutual Recognition Agreement (MRA) to address international equivalency issues. Improve FDA's ability to evaluate and target high risk imported bulk animal drug and drug products by developing automated reports on animal drug imports.

- Increase inspection contracts and other leveraging strategies that will enable FDA to meet its statutory inspection obligation while focusing on risks in animal drugs and feed such as the newly implemented BSE (Mad Cow Disease) regulations.

Improve biennial inspection coverage three percent by inspecting 30 percent of registered animal drug and feed establishments.

SPECIAL PROGRAM INITIATIVES

Food Safety Initiative + $6.4 million, 6 FTE

FY 2001 will mark the fourth year of a highly successful multi-agency initiative to control and reduce foodborne pathogens in the American food supply. The benefits of this investment are evidenced by the fact that the time it takes to respond to numerous outbreaks have been shortened, resulting in fewer potential deaths and illnesses to American consumers.

In FY 2001, FDA will further strengthen and enhance Federal, State and local food safety systems through the use of uniform minimum standards and practices for inspections and consistent enforcement. In collaboration with its sister agencies, the FDA will conduct the following activities to improve inspectional coverage and related research efforts:

- Complete the expansion of the National Antimicrobial Resistance Monitoring System (NARMS) which is used as an early detection tool to minimize and prevent outbreaks of foodborne illness, by identifying emerging resistance among foodborne pathogens. Completion of the NARMS is vital to implementing intervention strategies to prevent the spread of foodborne illness. *(Animal Drugs and Feeds Performance Goal # 10)*

- Perform intramural and extramural research to more rapidly and accurately identify and characterize foodborne hazards, and provide tools for regulatory enforcement. Develop effective interventions that can be used to prevent hazards at each step from production to consumption.

- Perform risk assessments to provide the scientific basis for prioritizing food safety research and surveillance activities including, antibiotic resistance monitoring, enabling FDA to target their efforts in the areas of greatest risk. *(Animal Drugs and Feeds Performance Goal # 6)*

Countering Bioterrorism + $0.8 million, 3 FTE

FDA plays a critical role in the preparation for bioterrorist attacks by reviewing products to counter the effects of anthrax and other potential bioterrorism events. The Agency must also conduct Good Manufacturing Practice inspections of manufacturers whose products may be stockpiled as a part of the government's bioterrorist efforts. As part of the interagency effort FDA intends to:

- Explore ways to prevent microorganism and toxic chemicals including pesticides from entering animal feeds and food-producing animals. Develop methods for detecting the presence of pathogenic microorganisms and/or the toxins produced by the microorganism to effectively identify a threat and respond to an attack properly.

- Train senior State personnel as first responders to an attack, develop effective lines of communication among anti-Bioterrorism units and facilitate timely reporting events, diagnoses, and identify research needs.

- Prepare field staff to safely seize, remove, and dispose of contaminated products by developing procedures and providing appropriate facilities and equipment.

- Develop inspection methods and procedures to assure the safety of regulated products at manufacturers and other establishments.

JUSTIFICATION OF BASE

Food Safety Initiative: The FSI base funding provides an early warning system for identifying emerging resistance in foodborne pathogens. Past increases have provided for several vital enhancements to NARMS, which have greatly improved our ability to detect emerging resistance among foodborne pathogens and have enabled FDA to make sound public policy decisions.

Surveillance activities add information about the animal sources of pathogenic bacteria and trends in antibiotic resistance so that we can develop and implement a plan of action to prevent or minimize a potential foodborne outbreak. It also alerts us to increases in antimicrobial resistance so that we can work with animal scientists and veterinarians to ensure proper drug usage. The base provides funds for:

- Expanding the source and number of animal and human isolates to improve monitoring of antibiotic resistant transfer to humans, and to assure the detection of emerging resistance trends in pathogens.

- Increasing postmarketing surveillance data available to the public and stakeholders.

- Expanding support of current international efforts to develop global resistance database.

Research is needed to understand the mechanism of antimicrobial resistance transfer. Risk assessments provide a scientific basis for efficient utilization of resources. The base funds will be used to:

- Conduct research studies and risk assessments that will yield future benefits and begin to reverse the trend of foodborne pathogen antibiotic resistance development and reduce the transfer of resistant animal pathogens to humans.

- Provide collaborative funding of extramural research projects initiated to study the microbiological risks associated with the use of antibiotics in food animal production.

Non-FSI Activities: Work with regulated industry to minimize drug development time and thereby increase availability of safe and effective animal products. We will continue to ensure the safety and effectiveness of marketed products through our monitoring and surveillance processes. Base funds will be used to:

- Implement statutory and regulatory changes as required by reform legislation and reinvention initiatives including the Animal Drug Availability Act (ADAA) and FDAMA by writing guidances for industry and partnering with industry and the states.

- Continue postmarket surveillance activities to ensure that marketed products are safe and effective, as well as continue ongoing and systematic collection, analysis and interpretation of surveillance data.

- Implement premarket standards developed from the phased review process.

- Continue pre-submission conferences, meetings, and workshops with industry.

- Maintain early warning systems, postmarket inspections, and investigations.

- Develop analytical methods to provide more rapid and accurate procedures to detect and quantify chemical contaminants in foods.

Animal Drugs and Feeds

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$36,814	$0	$36,814	403
FY 1997	$36,216	$0	$36,216	382
FY 1998	$41,354	$0	$41,354	391
FY 1999	$43,253	$0	$43,253	393
FY 2000 est.	$48,713	$0	$48,713	430

Food Safety Initiative

National Antimicrobial Resistance Monitoring System (NARMS) – Established in January 1996 in response to public health issues associated with the approval of fluoroquinolone products for use in poultry, NARMS is a collaborative effort among the FDA, USDA, and CDC. NARMS monitors changes in susceptibilities to 17 antimicrobial drugs of zoonotic enteric pathogens from human and animal clinical specimens, healthy farm animals, and carcasses of food-producing animals at slaughter.

- Expanded the scope of the monitoring system and conducted follow-on research and investigations. The system is now testing *Salmonella, Campylobacter* and *E. coli* isolates collected from animal sources, and testing *Salmonella, Campylobacter, Enterococcus, Shigella* and E. coli isolates from human clinical samples.

- New sites and sources of isolates were added, such as incorporated samples from small slaughter plants, as part of the Pathogen Reduction/HAACP rule implemented by the Food Safety and Inspection Service.

- The veterinary side of NARMS has incorporated isolate collection from two additional State veterinary diagnostic laboratories for a total of eight, in an attempt to mirror the reporting of human clinical isolates through the State public health laboratories,

- Educated farmers on how to prevent future outbreaks and spread of the multi-resistant organism, *Salmonella Typhimurium DT104*, among animals and to man. This was accomplished through information from a field study, several farm-based efforts, and molecular genetic research on a Vermont dairy farm.

- Initiated On-farm poultry studies five States (in collaboration with USDA) to utilize management, production, and drug use practices that influence the development of resistant zoonotic pathogens.

- Conducted collaborative molecular genetic studies with FDA's National Center for Toxicological Research (NCTR) to identify regions of fluoroquinolone resistance. This work will significantly improve FDA's ability to monitor the safety of competitive exclusion products and new antimicrobial approvals.

- Worked with USDA and microbiologists in Mexico and Guatemala to initiate an antimicrobial resistance monitoring program for the first international human and animal monitoring system for foodborne antimicrobial drug susceptibility surveillance in the Americas. The addition of international data will reduce possibility of contamination in the US from foreign sources improvements in their systems will lead to reduced contamination in the US.

Antimicrobial Resistance

- Published "A Proposed Framework for Evaluating and Assuring the Human Safety of the Microbial Effects of Antimicrobial New Animal Drugs Intended for Use in Food Producing Animals", which sets out a conceptual risk-based process for evaluating the microbial safety of antimicrobial drugs intended for use in food-producing animals. FDA proposes that pre-approval data be required to show that the level of resistance transfer from animals to humans associated with the use of drugs in food animals will be safe for consumers of food products derived from treated animals.

Review of New Product Applications

Eighty-five percent of the submissions for new animal drug applications (NADAs), abbreviated new animal drug applications (ANADAs), investigational new animal drug files (INADs) and

generic investigational new animal drug (JINADs), and 75 percent of the substantial phased data submissions to the Office of New Animal Drug Evaluation were made within the statutory and internal limits of 180 days. The preceding data represents a subset of applications, overall 65 percent of submissions were made within the statutory and internal limits of 180 days.

- Granted significant new product approvals, i.e., nine products for use in new animal species, six with new tolerances/withdrawal times, and 17 with new indications. In addition, other approvals included seven original generic approvals, five with new formulations, and two with new strengths/concentrations.

- Approved several important new animal drugs during the year, including some breakthrough products for dogs and cats: lufenuron for cats, the only therapy that provides control of fleas for six months; hemoglobin glutamer for dogs, the only approved blood replacement product for short-term treatment of anemia; clomipramine for dogs, the first product to treat separation anxiety; and selegiline HCI for dogs, for control of clinical signs associated with cognitive dysfunction.

Animal Drug Availability Act (ADAA)

- Implemented regulatory changes that affect animal drug availability.

- Published a final rule further defining "adequate and well-controlled studies," and "substantial evidence" to give FDA greater flexibility in determining the effectiveness of a new animal drug, thereby increasing the availability of approved animal drugs.

- Completed its proposals for legislative and regulatory change to facilitate the approval of animal drugs for use in minor species and for minor uses. A Notice of Availability for the report "Proposals to Increase the Legal Availability of Animal Drugs for Minor Species and Minor Uses"was published in the October 29, 1998, *Federal Register*.

- Published the proposed regulations to provide for Medicated Feed Mill Licensing and issued a proposed regulation to implement the Veterinary Feed Directive Drugs provision of the ADAA on July 2, 1999.

- Prepared a proposed regulation describing the procedures for requesting, conducting, and documenting pre-submission conferences.

Bovine Spongiform Encephalopathy (BSE)

- Implemented a rule prohibiting feeding of certain mammalian tissue to cattle and other ruminants to prevent the establishment and spread of Bovine Spongiform Encephalopathy (BSE).

· Worked toward achieving the goal of 100 percent compliance with a rule prohibiting feeding of certain mammalian tissue to cattle and other ruminants. The goal is to inspect and educate all renderers, feed manufacturers, and a representative sample of ruminant feeders within two years.

Meat Residue Monitoring

· Enhanced national residue reduction efforts with USDA to ensure that food derived from animals is safe for human consumption. State follow-up visits to first-time violators add a crucial education and prevention component to the program.

· Participated in monthly Interagency Residue Control Group Meetings and the interagency Surveillance Advisory Team, which designs United States Department of Agricultures's annual FSIS National Residue Plan. Several new compounds were added to the monitoring scheme along with additional analytical procedures.

· Conducted a cooperative research project to review the FSIS Fast Antibiotic Surveillance Test against 56 common antibacterial agents. Detection levels for each compound were established.

Electronic Submission of Information to CVM via the Internet

· Formalized the procedure of accepting electronic submission by E-mail of Notices of Claimed Investigational Exemption (NCIE) by new animal drug sponsors as required by 21 CFR 11 (Electronic Signatures; Electronic Records). This procedure was developed in partnership with the animal drug industry.

· Drafted five guidances in cooperation with the animal drug industry for electronic submission by E-mail.

Dioxin Contamination

· Continued work on animal feed contaminated with dioxins via the use of ball clay which is used as an anti-caking agent in soybean meal, in other feed components, and in complete animal feeds. Dioxin is a potent carcinogen with potential additional toxic and reproductive properties. There are no tolerances or other administrative levels for dioxin in food or feed.

· Surveyed clays that are used as animal feed ingredients, but have not been subjected to a complete dioxin analysis. Two clay samples contained elevated levels of dioxins.

· Initiated an import alert to detain feeds from Europe in response to the dioxin contamination event in Belgium, in early 1999. Began a sampling program for feeds

detained at import in the US that contained ingredients possibly derived from contaminated animals or possibly containing contaminated fats.

Feed Mill Licensing

· Issued the first medicated feed mill license and established a computerized system for tracking and indexing medicated feed mill licenses during 1997. FDA currently has approximately 1,243 approved medicated feed mill licenses. Under the new process, feed manufacturers are still subject to the current good manufacturing practices regulations and inspection by FDA or States under contract with the agency. Licensed feed mills must also register annually, and must maintain current approved "Blue Bird" (model labeling) for all feeds they are manufacturing. All other existing reporting responsibilities for each drug remain unchanged.

Generic Animal Drug and Patent Team Restoration Act (GADPTRA)

· Published new regulations to reflect the streamlined application review approval processes, and will include generic applications in this new regulatory matrix.

· Approved 84 generic applications, including 7 original applications, 68 supplemental ANADA approvals (minor) not requiring a *Federal Register* notice and nine more ANADA supplements that did.

Enforcement Initiatives: Enforcement Actions - Reviewed legal or administrative enforcement actions initiated by the agency to protect consumers by removing violative products from commerce or to obtain compliance with the law. These included:

· Monitored 80 product recalls and 413 detentions. As a result, numerous violative, potentially harmful products never reached consumers.

· Sent approximately 98 Warning Letters to firms/individuals, with most achieving correction without further regulatory action.

· Monitored 1,617 Million Import Entries. Conducted field examinations and analyzed samples of imported products to determine if products may enter domestic commerce.

· Issued 413 detentions for imported products to FDA field offices alerting the districts to potential importation of violative products. Examples included: pet treats contaminated with salmonella; glass contamination in veterinary parenteral drug; human and animal foods contaminated with dioxin (pesticide residues).

Inspectional Initiatives

- USDA FSIS/FDA Memorandum of Understanding (MOU). Signed a MOU with the USDA Food Safety and Inspection Service (FSIS) to share information and conduct joint inspections in the regulation of dual jurisdiction establishments that are regulated by both agencies.

- Completed inspections of manufacturers of veterinary pharmaceuticals, and high risk foods, both domestically and internationally. Many inspections have a twofold function of assuring the compliance status of these countries, as well as assessing the capabilities of the foreign government's regulatory authorities to provide effective oversight over their industry.

Animal Drugs and Feeds
Program Activity Data

Program Workload and Output	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
New Animal Drug Applications Processed Originals: [1]			
Received	39	50	54
Completed	36	50	54
Approved	17	20	22
Average (median) months from receipt to approval, original NADAs and reactivations	(12)	(12)	(12)
New Animal Drug Application Supplements: [2]			
Received	768	850	850
Completed	767	800	850
Approved	421	550	550
Original Abbreviated New Animal Drug Applications:			
Received	39	50	55
Completed	39	50	55
Approved	7	20	22
Average (median) months from receipt to approval, original ANADAs	(19)	(18)	(16)
Abbreviated New Animal Drug Applications Supplements:			
Received	109	100	100
Completed	106	80	100
Approved	78	40	40
Investigational New Animal Drug (INAD) Files: [3]			
Received	3,183	5,000	5,000
Completed	3,388	5,000	5,000
Generic Investigational New Animal Drug Files:			
New Receipts	199	150	150
Final Actions	188	150	150

[1]Includes originals and reactivations. If application is not approvable, the sponsor may submit additional information until the Agency is able to approve the application.

[2]A supplemental application is a sponsor request to change the conditions of existing approval. They can be significant (a new species or indication), or routine (product manufacturing changes).

[3]Under phased review, most of the review work will be done in the INAD phase as opposed to the NADA.

Animal Drugs and Feeds
Program Activity Data (continued)

Program Workload and Output	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
Feed Mill License Applications Processed	70	60	60
Investigational Food Additive Petitions	60	75	100
Food (Animal) Additive Petitions [4]	18	30	40
Establishment Inspections:			
Non-BSE	599	350	500
BSE [7]	176	450	200
Feed Mill			
FDA Direct Inspections (GMP) [5]	210	300	200
FDA Direct Inspections (BSE)	1,038	1,583	1,000
Federal/State Contract Inspection (GMP-BSE) [6]	235	370	733
Federal/State Contract Inspection (BSE only) [7]	870	760	196
Sample Analyses	1,784	2,000	2,000
Manufacturers' Drug Experience Reports (DER) [8]			
Received	4,000	4,800	4,800
Reviewed	1,800	1,700	1,600
Adverse Experience Reports (AER)			
Received	14,000	18,000	20,000
Reviewed	8,000	9,000	9,000
Tissue Residue Program/Investigations	441	500	500
Animal/Medicated Feed Partnership Agreements	31	31	31
Plant Biotech Notification Processed	6	15	15
GRAS (Generally Recognized as Safe) Notifications/Petitions [9]	5	10	20

[4]Applications for non-drug substances added to animal feed are considered Food Additive Petitions, which require review and approval.

[5]Some GMP inspections include an add-on BSE inspection.

[6]GMP inspections include a BSE inspection. To find total for BSE inspections performed under state contract, add numbers for GMP-BSE and BSE inspections together.

[7]The BSE strategy was funded for two years, 2/1998 to 2/2000. In FY 1998, 32.5 percent of the industry was inspected, 56.4 percent in FY 1999. With 88.9 percent of the industry initially inspected, only 11.1 percent remains for FY 2000. Some additional inspections are expected as a part of routine surveillance/compliance activity and will continue in FY 2000 and FY 2001.

[8]DERs contains AERs. Due to an increased number of AERs with the submitted DERs, the number of DERs completed is not as great as in the past (4400 in FY 1998).

[9]The final rule to replace GRAS Affirmations with GRAS Notifications should be published in FY 2000.

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Devices and Radiological Health

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriation [1]	$145,790	$154,271	$154,107	$17,570	$171,677
Other User Fees [2]	$13,218	$14,640	$14,640	$6,140	$20,780
Total	$159,008	$168,911	$168,747	$23,710	$192,457
FTE	1,480	1,493	1,492	46	1,538

1/ Includes Salaries & Expenses, Rent and PDUFA, where applicable.

2/ Includes MQSA user fees. FY 2001 includes proposed Device Premarket user fees of $5.8 million and 30 FTE.

EXPLANATION OF PROGRAM

FDA promotes and protects the public health under the Medical Devices and Radiological Health program by ensuring the safety and effectiveness of medical devices; eliminating unnecessary exposure to radiation from medical, industrial, and consumer products; and maximizing the benefits from necessary exposure. To accomplish these goals, FDA conducts a variety of activities. The following are the most significant:

- Classifies medical devices into the appropriate regulatory category (Class I – general controls; Class_II – special controls; and Class_III – premarket approval).

- Reviews Premarket Approval Applications (PMAs) to ensure the data submitted by the manufacturer demonstrate the device is safe and effective; reviews Premarket Notifications [510(k)s] to ensure the data submitted by the manufacturer demonstrate the device is substantially equivalent to an eligible product already on the market; and reviews Investigational Device Exemption applications (IDEs) to ensure that proposed investigational studies will be well-controlled and will safeguard the rights and safety of human subjects.

- Conducts postmarket surveillance to ensure the continued safety and effectiveness of marketed devices and radiation emitting products, once they have been approved.

- Promulgates and enforces quality standards under the Mammography Quality Standards Act of 1992.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $7.7 MILLION, 14 FTE

Bringing Products of New Technology to Market + $7.7 million, 14 FTE

Limited scientific knowledge delays health and safety benefits and may lead to over-regulation because of inadequate understanding of the risks involved. Requested resources will be used to improve the premarket process through:

- Increase product review efforts to ensure patient access to innovative technology such as genetic testing and ensure the safety and efficacy of products such as reprocessed devices. Shortened review times and earlier marketing of these types of devices provide significant benefits to patients and to industry. To improve the premarket program, FDA will:

    - Develop new regulatory approaches to deal with the scientific breakthroughs resulting from genetic testing. The number of genetic tests performed is growing dramatically by a much as 30 percent each year. FDA will explore a wide range of genetic testing issues including the safety and effectiveness of genetic tests and the oversight of laboratories developing genetic tests.

    - Increase product review activities and develop standards for high-risk reuse applications to ensure that if a single-use device is going to be reused, it is done safely and remains safe and effective for its intended use. While reprocessing has occurred for some time, there is little data available on the safety or effectiveness of certain types of reprocessed devices and the single-use labels are not clearly meaningful and do not identify vulnerabilities for reused devices that are intended to be used only once.

- Continue to strive to meet statutory PMA review times and increase scientific interactions with industry during review, an important goal for the Agency. With technological developments such as genetic testing, reprocessed devices, and combinations with drugs and biologics, the device workload and scientific complexity are increasing rapidly. Where necessary, FDA will seek outside expertise to ensure that its regulatory decisions are based on the latest scientific knowledge, and are performed in an expedient manner. During the past two years, more than 800 new technological products have come on the market or are under development. One example of new technology is the approval of the Home Access® Hepatitis C Check_ and Hepatitis C Check_ Express test kit. The kits are for home use for collection of a dried blood spot specimen by finger-stick and indicated for the anonymous testing for antibody to Hepatitis C virus (HCV) in adults who may have been exposed to HCV. Nearly 4 million Americans are infected with HCV and

approximately 30,000 new acute infections are estimated to occur each year. *(Devices Performance Goals #1, 2)*

· Improve the scientific information base and develop efficient evaluation methods to facilitate patient access to breakthrough technologies. High caliber scientific input is essential to regulatory decision making involving increasing technologically complex medical devices. An improved scientific information base would enable FDA to keep abreast of the latest scientific advances and more effectively carry out its public health mission as it relates to medical devices and radiological products.

· FDA will intensify research and scientific collaborations in break-through technologies such as minimally and non-invasive surgical techniques and computerized technologies. FDA will expand collaborations with internationally recognized research Centers to focus their activities in device areas that will soon be exploited. The results of this work will position the Agency to ask the right questions correctly when reviewing product applications.

· Collaborate with the industry and user groups to develop comprehensive test methods and performance requirements for existing or soon-to-be developed critical device and radiological products safety standards to support premarket and postmarket decisions on device products. FDA will focus efforts on devices that are important to critical populations such as the elderly and neonates. This will minimize the amount of information manufacturers will have to provide in premarket submissions. *(Devices Performance Goal # 7)*

Provide quicker access to important, life-saving and health-enhancing medical devices, while assuring their safety and effectiveness.[3] *(Devices Strategic Goal # 1)*

POSTMARKET INITIATIVES + $8.0 MILLION, 29 FTE

Medical Errors + $4.0 million, 4 FTE

· Implement the second phase pilot of the FDA Medical Surveillance Network (MeDSuN) aimed at improving the protection of the health and safety of patients, users, and others who use FDA regulated products. FDA will recruit and train at least 200-250 reporting hospitals and other clinical sites to form a national sentinel network for reporting adverse events involving FDA regulated products. The system is designed to reduce or eliminate the barriers to reporting to expand the information received by FDA. Sites would first be trained to recognize and report adverse events and "near misses" related to medical devices. The reporting of incidents that did not result in patient harm (near misses) is

[3] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

critical in improving patient safety. As additional sites are added to the network, training would be expanded to include human drug reactions, biologics, medical foods and other FDA regulated products. *(Devices Performance Goal # 13)*

· Develop standards and testing requirements to reduce errors resulting from name or packaging confusion. This is consistent with the findings of the National Academy of Sciences report on medical errors. Furthermore, this is a noteworthy problem for medical device products because medical devices are complex and are often used under stressful conditions. Also, some devices that were originally designed for use by medical personnel are now being used by lay users.

· The additional funding will enable FDA to leverage the adverse event reporting experience of a nationwide hospital network, and use the information to provide risk communication messages to health care providers and patients who use medical device products and to take regulatory steps to correct product design and design manufacturing. FDA will also develop standards and testing requirements that incorporate human error factors into both the manufacturing process and review of the products before approval for marketing. *(Devices Performance Goal # 13)*

Inspectional Activities + $4.0 million, 25 FTE

· Increase funding to inspect Class II and III manufacturers for both domestic and foreign manufacturers. Although the increase will improve product safety and systems conformance, FDA will not come close to meeting its statutory requirement of inspecting 50 percent of all Class II and III device manufacturers each year. Device and radiological health inspection resources have been reduced by 23 percent since FY 1995, and at the same time, the industry has grown by 30 percent. Violation rates among higher risk firms have continued to rise. *(Devices Performance Goals # 8, 9)*

· FDA will continue reengineering and grassroots initiatives, and utilizing leveraging opportunities, to enable the field to make the best use of device inspections and resources. FDA will expand the use of state contracts to assist the Agency in meeting its statutory biennial inspection obligations by increasing the number of state contracts for device manufacturers inspections. Even with these improvements and the requested increase in funding, FDA will not meet its biennial statutory requirement for inspections. Due to industry growth and absorption of current services, we will barely stay even. *(Devices Performance Goal # 8)*

FDA Device Inspections Goals

	FY 1999 Actual Performance	FY 2000 Performance (estimate)	Performance with FY 2001 Base	Performance with FY 2001 Increase	Statutory Performance Required
Improve Domestic Class II/III Inspection Coverage,	30%	24%	21%	28%	50%
Improve Foreign Class II/III manufacturers device inspection coverage.	10%	9%	9%	10%	50%
Routine Class I Domestic/Foreign inspections	0%	0%	0%	0%	N/A

· Continue implementing the FDAMA mandated Mutual Recognition Agreement (MRA). FDA strongly endorses the MRA and believes that the extensive training of the EU assessment bodies and full implementation of the MRA will strengthen international product quality assurance and eventually reduce the number of foreign firms that FDA will need to inspect. *(Devices Performance Goal # 10)*

Reduce the risk of medical devices and radiation emitting products on the market by assuring product quality and correcting problems associated with their production and use. (Devices Strategic Goal # 2)

USER FEES

Proposed New User Fees

PREMARKET

Premarket Medical Device Additive User Fees[4] + $ 5.8 million, 30 FTE

The Food and Drug Administration Modernization Act of 1997 (FDAMA) established a mechanism for third party reviews of 510k submissions. The expectation for this new mechanism was greater efficiencies for both FDA and industry, and earlier patient access to new products. Over the past two years, FDA has offered an extensive list of devices eligible for third party review, has accredited a number of third party reviewers, and has confirmed the performance of third party reviewers to be excellent, both in terms of quality and timeliness. But despite these achievements, a negligible share (3 percent) of the eligible submissions are taking advantage of this new mechanism. Because fuller implementation has so much potential benefit to all parties, FDA has developed this initiative to overcome the obvious obstacles to fuller utilization. The goal is to encourage a majority of eligible reviews to be performed by third parties over the next two years at a review pace substantially quicker than FDA's current in-house review capabilities.

[4] The user fee as described is a proposal, and the language that is transmitted to Congress may differ from what is contained in this Justification.

There are two major impediments to fuller utilization of the third party review mechanism. Medical device manufacturers with eligible 510(k) applications currently face a cost disincentive if

they choose to use the third party review option created by FDAMA. These firms, mostly small businesses, face a choice between a substantial out-of-pocket expenditure for a third party review and a free FDA review, and most choose the FDA review. In addition to this cost barrier, there are information barriers. Potential third party review users must recognize their eligibility, devote time and resources to understand the potential varied third party services, obtain cost bids, and then eventually contract for the 510(k) review. Besides the time and effort of these steps, the typical small firm will face considerable uncertainties and knowledge gaps regarding this unfamiliar process. The combination of these information barriers, coupled with the cost barrier discourages 97 percent of potential applicants from using third party review, even though these reviews have been demonstrated to be substantially quicker than conventional FDA reviews, and thus, potentially cost-effective in terms of accelerated market access.

The proposed initiative will address both information barriers and cost barriers that have stalled the growth of the market for third party reviews. Key provisions of the proposed 3-year program include:

- Reducing information barriers to third party review by constructing a virtual electronic marketplace where fully informed applicants can quickly and knowledgeably initiate third party reviews. This includes:
  - Early recognition of eligibility and opportunity for third party review, and streamlined process for evaluating available review services, with current postings of third party review capabilities and services for both existing and newly accredited third parties.
  - Reliable cost information for third party services based on audited cost information.
  - Continuous real-time dissemination of third party performance information, including review timeliness and congruence with FDA decisions.
- Reducing the cost barrier to third party review by providing funding support, cost/performance options and greater market intelligence for potential applicants. This includes:
  - Providing the first $4,000 of third party review costs[5] for eligible submissions.

[5] A leading provider of third party reviews quotes a range of $3,000 to $6,900 per 510(k) reviews completed within 30-60 days.

- Giving applicants more choices: Those who elect funding support will be in a better financial position to consider a range of review speed options from competing third party reviewers. Applicants also have the option to forego the funding support for a third party review and have FDA perform the review.

- Promoting greater transparency for applicants who will purchase review services, by providing comparable cost information for the accredited third party services.

The proposed program will act as a market catalyst to transform a fledgling market for third party reviews to a mature and self-sustaining service industry. By the end of the three-year period FDA anticipates that most potentially eligible devices will be on the established FDA list, and the vast majority of eligible reviews will be performed by third party reviewers. This will provide a volume of reviews that yields economies of scale for the review services, and competitive pricing for 510(k) applicants seeking third party review. At the end of the program FDA will perform an evaluation and report to Congress on the achievement of these goals.

The program will be funded by a user fee applied to nearly 3,000 510(k)s, with exemptions for some specialized categories and for first-time submissions. The fee would be $2,000 per submission. This fee will generate $5.83 million in revenues. Most of these funds, $4 million will be devoted to eliminating the cost disincentive. The remaining $1.83 million will be devoted to 7 FTE and $0.5 million in contract support to eliminate the information barriers. *(Devices Performance Goals # 3, 4)*

Current Law User Fees + $0.3 million

POSTMARKET

Mammography Quality Standards Act (MQSA) + $0.3 million

The Mammography Quality Standards Act of 1992 was reauthorized in 1998 for an additional
five years (P.L. 105-298). FDA requests an increase of $0.3 million in MQSA authorized inspection user fees to cover inflation, for a total of $15.1 million with 50 FTE in FY 2001. The
fees collected will pay for the costs of the inspections. *(Devices Performance Goal # 12)*

SPECIAL PROGRAM INITIATIVES

Countering Bioterrorism + $0.8 million, 2 FTE

FDA plays a critical role in the preparation for bioterrorist attacks by reviewing products to counter the effects of anthrax and other potential bioterrorism events. The Agency must also conduct Good Manufacturing Practice inspections of manufacturers whose products may be

stockpiled as a part of the government's bioterrorist efforts. As part of the interagency effort FDA intends to:

- Prepare expert reviewers for a significant increase in the number of premarket submissions, (many as IDE applications) as the bioterrorism response program progresses.

- Monitor and evaluate the public health needs and impact of products used in conjunction with bioterrorism response (in vitro diagnostic devices, portable ventilators, syringes, gloves, and other standard equipment).

JUSTIFICATION OF BASE

- Carry out the primary goals under the Medical Devices and Radiological Products program to ensure the safety and effectiveness of medical devices and to eliminate unnecessary exposure to radiation from medical, industrial, and consumer products while maximizing the benefits from necessary exposure.

- Ensure the safety, effectiveness, and proper labeling of medical and radiation-emitting devices.

- Enhance performance in the medical device program by actively implementing the requirements of the FDA Modernization Act of 1997 (FDAMA) and expanding reengineering efforts as priority initiatives.

- Provide direct science support to the device review process and to promote increased acceptance of consensus standards in support of FDA product review and evaluation activities. *(Devices Performance Goal # 7)*

- Maintain an active compliance and surveillance program that uses a scientific workforce that is proactive as well as reactive so that public health risks are scientifically identified and promptly eliminated.

- Conduct domestic and foreign inspections for Class II and Class III higher-risk medical devices and monitor imports. The concentration will be on more serious problems. FDA will not be doing any routine Class I inspections. *(Devices Performance Goals # 8, 10)*

- Conduct research to provide a sound foundation for effective regulation by increasing FDA's understanding of the principles at work in and the risks involved with complex devices and radiation emitting products. Engage in proactive collaborations with other government science agencies and academia where necessary to leverage FDA's scientific expertise.

- Ensure that mammography facilities remain in compliance with established quality standards and to improve the quality of mammography in the United States by conducting 9,100 inspections and 3,581 certifications. *(Devices Performance Goal # 12)*

- Provide technical assistance to small medical device manufacturers.

- Develop and enforce regulatory standards to limit unnecessary radiation exposure and establish criteria and scientific methods to maximize the effectiveness of useful radiation exposure. *(Devices Performance Goal # 11)*

- Continue FDA's presence and role in harmonizing regulatory requirements, including implementing the Mutual Recognition Agreement (MRA) with the European Union.

Devices and Radiological Health

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$143,717	$ 8,557	$152,274	1,646
FY 1997	$147,372	$12,449	$159,821	1,667
FY 1998	$144,329	$11,376	$155,705	1,555
FY 1999	$145,790	$13,218	$159,008	1,480
FY 2000 est.	$154,107	$14,460	$168,747	1,492

Provided Greater Patient Access to New Medical Device Products:

- **Humanitarian Use Devices (HDEs)** provide an easier approval path for devices used to treat rare conditions or diseases. Approved six HDEs, including two septal occlusion devices for closing holes between the left and right sides of the heart, a sacral nerve stimulator to aid in urination and bowel evacuation in spinal cord injured patients, and a pulmonary valve for children under age 4 with absent or diseased valves.

- **Exempted** more than 60 Class II types of medical devices from premarket notification requirements enable manufacturers to get the products to the market and patients quicker.

Instituted More Effective Management of FDA's Resources:

- **Third Party Reviews** encourage access and use of outside scientific and technical expertise, and provide an alternative to FDA review. To date, FDA has recognized 13

third party bodies and made 154 types (mostly Class IIs) of devices eligible for third party review. In FY 1999, FDA received only 32 510(k)s with a third party review, but more than 1,200 were eligible.

- **Abbreviated and Special 510(k) Submissions** provide manufacturers with reengineered submission procedures, that are simpler to process than the traditional 510(k)s, allowing more rapid market clearance. Received 396 Special 510(k) applications and 85 Abbreviated 510(k) submissions. The Agency hopes that submission rates for these types of applications will increase.

- **Least Burdensome** draft guidance, involved a collaborative effort with FDA stakeholders to identify tools and principles to be used in considering the "least burdensome" means that will allow appropriate premarket development and review of a product without unnecessary delays and expense to manufacturers.

- **Dispute Resolution** provides an avenue for manufacturers who decide not to accept a decision or action to have it reviewed and reconsidered. Developed two guidance documents that provide an overview of dispute resolution processes and information on the use of the Medical Devices Dispute Resolution Panel. An ombudsman/quality assurance manager serves as the primary mediator in disputes involving the regulated industry with support from FDA.

Premarket Review Activities:

- Successfully reviewed applications such that there were no overdue submissions for the third consecutive year, despite increasingly complex device application submissions.

Approved:

- Septal occlusion system, a transvascular method used in a selected population for closing holes between the left and right sides of the heart (Two HDEs: Cardioseal Septal Occlusion Systems, both by Nitinol Medical Technologies, Inc.).

- Hepatitis C Home Use Test Kits by Home Access Health Corporation.

- A new version of the HER-2 (PanVision™ HER-2 DNA Probe Kit by Vysis, Inc.) used as the basis upon which women were identified for treatment for breast cancer.

- Intrastromal corneal rings, removable implants for treating mild myopia (Intacs™ Intrastromal Corneal Ring Segments for Myopia by KeraVision, Inc.)

- Mapping systems for diagnosing complex atrial arrhythmias so that appropriate treatment can be planned (two companies – Ensite 3000 system by Endocardial solutions, Inc. and Tracer O-T-W Mapping Device by Cardima, Inc.)

Science and Standards Activities

- **Cardiac Ablation.** Developed a unique system to measure the parameters affecting the size and shape of lesions generated using radio frequency cardiac ablation. This system tests the effects of applying variable electrical power and changes in blood pressure and flow. This work contributed directly to the development of a guidance document on cardiac ablation.

- **Interference of Cardiac Pacemakers from Cellular Telephones.** Developed a test system including a simulated cellular phone and a torso simulator (salt-water tank) to enable repeatable laboratory measurements of electromagnetic compatibility (EMC) between pacemakers and cellular phones. This work formed the basis of the proposed final draft EMC standard for implantable cardiac pacemakers and defibrillators by the Association for the Advancement of Medical Instrumentation.

- **Digital Mammography.** Conducted significant research in both the pre-clinical and clinical stages to assist in the evaluation of digital mammography, a technique which shows promise in improving breast cancer diagnosis.

- **Natural Rubber Latex.** Completed development of an ELISA Inhibition Test protocol for measuring natural rubber latex (NRL) proteins, which are responsible for allergy to latex. This method has been shown to be a more sensitive assay for quantifying NRL proteins than those currently in use. The method has been submitted to the American Society for Testing and Materials (ASTM) for consideration by the committees responsible for standards on gloves and condoms.

- Proposed a strategy to classify disposable medical devices on a risk based categorization system that considers (1) the complexity of procedures associated with reprocessing the device; (2) the actual and potential risk for infection should the reprocessed device be reused; and (3) the quality and extent of published data on reprocessing for the specific device. The degree of risk associated with the reused device would determine FDA's enforcement strategy for those devices.

- FDA and CDC issued a Public Health Advisory on September 10, 1999 – Infections from Endoscopes Inadequately Reprocessed by an Automatic Endoscope Reprocessor (AER).

Medical Error Reduction Activities

- Published guidance to manufacturers for integrating human factors into risk management for medical device design and development;

- Conducted research to improve patient labeling; and

- Developed Human Factors Engineering (HFE) design process standards with the Association for the Advancement of Medical Instrumentation (AAMI) and International Electrotechnical Commission (IEC). These standards will aid manufactures in setting up design process programs to comply with the FDA Quality System Regulation and ISO 9000.

US/EU Mutual Recognition Agreement (MRA)

- Continued to implement the MRA with the European Union (EU), which facilitates transatlantic trade and reduces industry costs for compliance with regulatory requirements. Activities are currently taking place to prepare third parties in the EU to perform work in the EU for FDA and to prepare third parties in the US to perform work in the US for the EU.

- Posted a web site dedicated to MRA activities, including the implementation plan, eligible device lists, MRA meeting minutes, and the list of nominated US and EU Conformity Assessment Bodies (CABs) that are participating in confidence building activities at http://www.fda.gov/cdrh/mra/index.html.

Mammography

- Strengthened the Mammography Quality Standards Act (MQSA) requirements, requiring that a written summary of results in lay language be provided to all patients within 30 days and mammography facilities must transfer original mammograms to the patient's physician or to the patient on request.

- Drafted proposed regulations for the "States as Certifiers" Program which are projected to be published in the *Federal Register* for public comment in the summer of 2000.

- Implemented a MQSA Policy Help System that will provide a clearinghouse for all MQSA regulatory guidance material and other related informational documents. The system will provide an online resource for facilities to access via the FDA Internet.

- Trained 244 and certified 16 MQSA inspectors. MQSA maintained approximately 240 inspectors throughout FY 1999.

- Issued 5,499 MQSA three-year facility certificates and conducted 9,488 facility inspections.

- Performed 170 audit inspections under the Inspector Quality Assurance Program.

- Hosted a MQSA Satellite Teleconference in February 1999 that provided an interactive platform for over 2,000 viewers to get answers to questions about regulatory requirements.

- Established a web site containing all MQSA program materials, including guidance and the quarterly newsletter, *Mammography Matters*.

Postmarket activities:

- Took the following **actions in support of our regulatory activities**:

Seizures	3
Recalls	1,263
Total Warning Letters Issued	266
CDRH Issued	*(80)*
Field Issued	*(186)*
Injunctions	1

- **Quality System Inspection Technique (QSIT).** Worked with the medical device industry to reengineer the process used for Quality System inspections. The new technique significantly reduces the inspection time, increases the effectiveness of the inspections, and is an essential tool for dealing a growing industry.

- **Warning Letter Pilot Test.** Implemented the Warning Letter Pilot Test, which allows firms 15 days to respond to and/or correct problems identified during an inspection. FDA does not issue warning letters if the problems are adequately corrected and believes that this is beneficial in getting firms to correct problems quickly.

- **Draft Guidance on the *Likelihood of Facilities Inspections When Modifying Devices Subject to PMA Approval*.** Published draft guidance for public comment

in the *Federal Register*. During FDA/medical device industry grassroots forums, industry representatives discussed the uncertainty about FDA policy on modifying a device and what circumstances required the submission of a PMA supplement, when an inspection may be required, and when documenting the change in the firm's files may be adequate. FDA anticipates that this guidance would help reduce regulatory burdens, help manufacturers to determine when an FDA inspection will occur, and more easily implement appropriate manufacturing changes. As a result, in some cases, no inspection will be necessary.

Medical Device Reporting

- Received over 90,000 voluntary and mandatory reports.

- Issued reporting exemptions to manufactures of various medical device products to allow manufacturers to submit quarterly reports on specified adverse events in a summary form. FDA took steps to further reduce the reporting burden on industry and the FDA by enhancing the current system with the new Alternative Summary Reporting (ASR) system that will allow summary data elements to be submitted in line-item format.

Radiation Safety

- FDA and State inspectors conducted 1,124 Radiological Surveys, and found 160 systems noncompliant with one or more federal performance standards. Of the 160 systems found noncompliant, 77 systems have been corrected at no cost to the user and the remaining 83 systems are pending correction.

- FDA concluded a Memorandum of Understanding with the Federal Aviation Administration (FAA) delineating respective responsibilities in dealing with the questions of safety to air traffic as threatened by the operation of laser light shows and displays in navigable airspace.

- FDA collaborated with the Customs Service and other Federal and state agencies to advance x-ray technology applications in security and contraband deletion.

- Evaluated and approved five Corrective Action Programs of manufacturers of violative x-ray systems. The manufacturers implemented recall actions to correct their violative systems and modified production methods.

· Worked with stakeholders to identify what actions refurbishers and re-manufactures of diagnostic x-ray equipment need to take to assure that their products meet the certification requirements of the performance standards for electronic products.

Y2K as it Relates to Medical Devices: Worked with the medical device industry, the health care community and other federal agencies to ensure that the date change to the Year 2000 would adversely impact the delivery of health care related to the functioning of medical devices. Specifically, FDA:

· Identified and listed on the web, around 80 types of devices that are potentially high risk and could cause serious problems if they fail, such as fetal cardiac monitors, emergency ventilators, and radiation therapy planning systems.

· Developed plans and identified staff to rapidly respond to reports of device performance problems or potential supply disruptions due to Y2K problems.

· Conducted focused, on-site assessments reviews of a sample of manufactures for computer controlled, potentially high-risk devices to help assure that the device manufacturers have adequately assessed Y2K vulnerable products.

Selected FY 1999 Field Accomplishments

Import Alerts on non-sterile plastic bandages (IA 79-01); Class III medical devices that are not covered by FDA approval (IA 89-11); and laser pointers and laser key chains (IA 95-04).

Inspectional Initiatives:

Completed inspections of manufacturers of medical devices including TVs, microwaves, computer monitors, and military blood bank and MQSA facilities. Investigators conduct domestic and foreign inspections. Many inspections have a two-fold function of assuring the compliance status of these countries, as well as assessing the capabilities of the foreign government's regulatory authorities to effectively regulate the industry.

Devices and Radiological Health

Program Activity Data

Program Workload and Outputs	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
PMAs Received (includes PDPs, HDEs)	72	75	80
PMAs Completed	45	50	60
Average elapsed time (FDA days-approval)	280	260	260
PMA Supplements Received	556	600	600
PMA Supplements Completed	437	550	550
Average elapsed time (FDA days-approval)	92	85	85
510(k)s Received (includes Trad., Spec., Abbrev., 3rd-Party)	4,458	4,400	4,500
510(k)s Completed	4,593	4,400	4,500
Average elapsed time (FDA days-decision)	80	90	75
IDEs Received	304	325	330
IDEs Completed	305	325	330
Average elapsed time (FDA days-approval)	27	30	30
IDE Supplements Received	4,127	4,200	4,300
IDE Supplements Completed	4,224	4,200	4,300
Average FDA Review Time (FDA days-approval)	20	20	20
MDR Initial Reports (mandatory) Received	53,743	53,000	53,000
MDR Voluntary Reports Received	2,816	3,000	3,000
Export Certificates and Permits	3,072	3,000	3,000
Device/Radiological Inspections (domestic)	2,813	2,000	2,306
MQSA Annual Inspections (includes 94 percent State/6 percent Federal)	9,583	8,900	9,100
MQSA Facility Certifications *	3,646	1,745	3,581

***** FY 2000 is a down year in the cycle of accreditation and certification with a broad peak in the other two years.

National Center for Toxicological Research

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriaton [1]	$32,109	$34,536	$34,186	$3,682	$37,868
FTE	223	232	229	1	230

1/ Includes Salaries & Expenses, Rent, and PDUFA, where applicable.

EXPLANATION OF PROGRAM

NCTR is co-located with the Office of Regulatory Affairs (ORA) Arkansas Regional Laboratory (ARL), on the campus of the Jefferson Laboratories of the FDA. The mission of the National Center for Toxicological Research (NCTR) is to conduct peer-reviewed scientific research that provides the basis for FDA to make sound science-based regulatory decisions, and to promote the health of the American people through its core activities of premarket review and postmarket surveillance. This involves fundamental and applied research specifically designed to define biological mechanisms of action underlying the toxicity of products regulated by FDA. This research is aimed at understanding critical biological events in the expression of toxicity and at developing methods to improve assessment of human exposure, susceptibility and risk and apply these scientific findings to FDA's pre-market application review and product safety assurance effort.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

PREMARKET INITIATIVES + $0.5 MILLION, 2 FTE

Bringing Products of New Technology to Market +$ 0.5 million, 2 FTE

Limited scientific knowledge delays health and safety benefits and may lead to over-regulation because of inadequate understanding of the risks involved. Requested resources will be used to improve the premarket process through:

· Support the premarket review process by conducting biologically based mechanistic studies combined with predictive modeling to provide better knowledge of individually targeted risk. Leverage resources from FDA stakeholders by employing new predictive modeling systems that combine to provide data essential to reducing cancer risk in clinical

trials developed in partnership with industry (Chemical Manufactures Association [CMA] and Genometrix) and government (EPA). Failure to conduct mechanistic studies will require that risk continue to be regulated by costly, time-consuming animal bioassays. *(NCTR Performance Goal # 2)*

· Assess the safety of foods derived from genetically modified organisms (GMO) in collaboration with FDA's Center for Food Safety and Applied Nutrition (CFSAN) and Center for Veterinary Medicine (CVM). The import/export market is currently being challenged by the lack of credible scientific data on the safety of GMOs. This research will address this critical need and provide data to relieve public concern.

SPECIAL PROGRAM INITIATIVES

Food Safety Initiative + $2.0 million, 3 FTE

FY 2001 will mark the fourth year of a highly successful multi-agency initiative to control and reduce foodborne pathogens in the American food supply. The benefits of this investment are evidenced by the fact that the time it takes to respond to numerous outbreaks have been shortened, resulting in fewer potential deaths and illnesses to American consumers.

In FY 2001, FDA will further strengthen and enhance Federal, State and local food safety systems through the use of uniform minimum standards and practices for inspections and consistent enforcement. In collaboration with its sister agencies, the FDA will conduct the following activities to improve inspectional coverage and related research efforts.

Develop methods to predict more quickly and accurately risks associated with antimicrobial resistance and foodborne pathogens/contaminants. Examples include:

· Expand support and expertise, in partnership with the CFSAN, in molecular methods that can be used to rapidly identify markers of toxicity of food borne pathogens. This objective is necessary to adapt new technology for monitoring the safety of our food supply.

· Develop new methods, with the CVM, for routine surveillance of fluoroquinolone resistant *Salmonella* and *Campylobacter* to provide the data needed to make informed risk decisions concerning the use of quinolone-based antimicrobials in poultry production and food borne antibiotic resistance. Increased incidence of antibiotic risk in the food supply may compromise the use of antibiotics to combat human disease.

· Apply risk assessment methodology to microbial contamination and antibiotic resistance. If these methods are not developed, our ability to adequately predict pathogenic risk will jeopardize public safety. *(NCTR Performance Goal # 5)*

Countering Bioterrorism +$ 1.0 million, 1 FTE

FDA plays a critical role in the preparation for bioterrorist attacks by reviewing products to counter the effects of anthrax and other potential bioterrorism events. The Agency must also conduct Good Manufacturing Practice inspections of manufacturers whose products may be stockpiled as a part of the government's bioterrorist efforts. As part of the interagency effort FDA intends to:

· Expand the mass spectrometry-based approaches to identify biomarkers of toxicity associated with biological warfare agents. This technique will significantly reduce the danger associated with terroristic threats. *(NCTR Performance Goal # 6)*

· Develop novel techniques to identify new bacteriological and chemical contaminants in the food supply. These techniques can crossover to provide methods of assessment for potential biochemical terrorist capabilities. Maintaining currency in analytical techniques will ensure the American public has the best and most accurate tools to fight food borne disease as well as identify biological warfare agents.

JUSTIFICATION OF BASE

The National Center for Toxicological Research (NCTR) conducts FDA mission-critical, peer-reviewed research that is targeted to develop a more scientifically sound basis for regulatory decisions and reduce risks associated with FDA-regulated products to protect, promote, and enhance Americas public health. Specific aims of NCTR's research are:

· To develop new strategies, methods, and systems to predict toxicity that anticipate new product technology in order to support FDA's commitment to bring this technology to the market rapidly.

· To understand mechanisms of toxicity and design better risk assessment/detection techniques and methods for use in pre-market review and product and health surveillance.

· The NCTR provides the Agency with a high-quality, cost-effective, health science research program, which results in the application of new scientific knowledge through leveraging of research findings from NIH and academia, enhancing the FDA's regulatory practices.

NCTR's strategic research goals support the FDA's mission to bring safe and efficacious products to the market rapidly and to reduce the risks of products on the market. NCTR's strategic goals are as follows:

· Develop new strategies and methods to test/predict toxicity and assess/detect risk for FDA regulated products (new and those already on the market).

· Develop computer-based systems (knowledge bases) that predict human toxicity to enhance the efficiency and effectiveness of pre-market product reviews.

· Conduct research to understand mechanisms of toxicity, assess new product technology and provide methods for use in FDA standards development and product risk surveillance.

National Center for Toxicological Research

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$30,774	$0	$30,774	232
FY 1997	$31,929	$0	$31,929	223
FY 1998	$32,189	$0	$32,189	218
FY 1999	$32,109	$0	$32,109	223
FY 2000 est.	$34,186	$0	$34,186	229

Premarket and Postmarket Research

· Conducted research into areas that are most pertinent to FDA needs. Organizational and operational changes were made to improve our effectiveness and efficiency. Divisions have been consolidated to develop more intellectual synergy and to optimize research capabilities.

· Constructed a state-of-the-art phototoxicity facility to evaluate the toxic interactions between drugs or cosmetics and exposure to sunlight.

Developed new strategies for the prediction of toxicity

Developed transgenic models that can be used to screen for toxicities and better understanding mechanisms of toxicity. The models are constructed so that easily measured reporter genes can be inserted into rodent models. By using this transgenic technology, scientists are learning more and more about how specific chemicals cause toxicity in humans. For example, the data generated in the transgenics program are used to study human disease processes to better understand cross-species extrapolation.

Developed Endocrine Disrupter Knowledge Bases (EDKB)

- Completed a system provides an Internet-accessible, virtual environment where researchers can share pertinent research citations, data and predictive models. During the programs first year, several computational chemistry methodologies were evaluated and found to yield statistically robust correlations for predicting estrogenicity. The FDA Office of Women's Health provided partial support for this work. This knowledge base is a prototype that will assist in risk and regulatory decisions for compounds that may alter estrogen responses and disrupt human endocrine systems.

- Customized the system to support the evaluation of thirty-six chemicals for estrogenicity for the Center for Food Safety and Applied Nutrition (CFSAN) and the Center for Drug Evaluation and Research (CDER).

Method-, Agent-, and Concept-Driven Research

Explored new, innovative approaches to better predict human risks from the existing rodent bioassay data. When complete, these data will be used by the FDA to accurately set exposure limits for various products.

Food Safety Initiative (FSI)

- In collaboration with the CFSAN, CVM, and as part of the FSI, the NCTR, developed methods to identify markers of foodborne pathogens and to assess whether these microorganisms undergo change, thus becoming more virulent.

- Developed an indicator of seafood decomposition known as Fresh Tag™ licensed by Cox Recorders of Belmont, SC.

- Developed methods and built biologically based dose-response models of microbial infection to assess survival, growth, and infectious components of microbial risk to address the question of human risk from foodborne pathogens. This research capitalizes on partnerships with USDA.

Laboratory Consolidation at the Jefferson Laboratories of the FDA

Continued construction of the Arkansas Regional Laboratory. This facility, once completed, will enhance the science base and ensure the efficient use of FDA facilities, providing for effective intra-center collaborations on scientific issues critical to the Agency and the American public. The construction of the Arkansas Regional Laboratory (ARL) will ultimately save FDA millions of dollars due to consolidation of equipment, staff, utilities and support.

National Center for Toxicological Research

Program Activity Data

Program Output	1999 Actual	2000 Estimate	2001 Estimate
Research Publications (Academia)	175	225	235
Scientific Presentations (Academia)	425	450	500
Patents (Industry)	4	5	5
Interagency Agreements (IAG) (Government Agencies)*	6	3	4
Cooperative Research and Development Agreements (CRADA) (Industry)	3	3	3
Develop new Strategies for the prediction of toxicity	49	60	104
Develop computer-based systems that have predictive value	9	12	11
Conduct method-, agent, and concept-driven research	113	143	93
PROJECT TOTAL	171	215	208

*One IAG includes 22 separate projects

Note: The decrease in program activity within the strategic goals from FY 2000 to FY 2001 is due to shifting the focus of NCTR's research to toxicity prediction, an area critical to FDA's pre-market review. This shift addresses the Commissioners priorities more effectively.

Tobacco

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Direct Appropriaton [1]	$34,000	$34,000	$34,000	$5,000	$39,000
FTE	25	25	25	-	25

1/ Includes Salaries & Expenses, Rent, and PDUFA, where applicable.

EXPLANATION OF PROGRAM

The Tobacco Program seeks to promote and protect the health of our nation's youth by reducing the number of young people who begin to use and become addicted to tobacco products each year. The Agency's approach to the tobacco initiative combines a focus on supply and demand so that the problem is addressed comprehensively and reduces the number of illegal purchases.

FDA's long-term goal is a 50 percent decline in young peoples' use of tobacco within seven years of full program implementation, using a threefold strategy of enforcement and evaluation, compliance outreach, and product regulation. This is accomplished through reducing the access and appeal of tobacco products to young people, enlisting retailers' and other stakeholders' assistance in these efforts, and developing regulatory procedures for cigarettes and smokeless tobacco products.

On August 23, 1996, FDA issued its final regulation restricting the sale and marketing of nicotine-containing cigarettes and smokeless tobacco products. The rule contained a comprehensive set of provisions that limit young people's access to tobacco products, as well as restrictions on the marketing of these products to minors. The rule was the culmination of an intense multi-year investigation that sought to determine if FDA has jurisdiction over these products, and if so, what form the regulation should take.

The cigarette, smokeless tobacco, advertising and retail industries, and others brought suit in the United States District Court for the Middle District of North Carolina (Greensboro Division) to invalidate FDA's assertion of jurisdiction and enjoin its regulations. Argument was heard on February 10, 1997, and the Court issued its decision on April 25, 1997, upholding FDA's jurisdiction and its access and labeling regulations. The Court held that the statutory provision relied on by FDA does not provide FDA with authority to regulate advertising and promotion of tobacco products. Furthermore, the court delayed implementation of all remaining provisions, pending appeal, except those for age and photo identification that had gone into effect on February 28, 1997.

Both the government and plaintiffs appealed to the United States Court of Appeals for the Fourth Circuit. On August 13, 1998, the Fourth Circuit issued its decision finding the FDA's assertion of jurisdiction and issuance of regulations invalid. On April 26, 1999, the US Supreme Court granted the Petition for a Writ of Certiorari filed by the Solicitor General. The Supreme Court heard oral arguments on December 1, 1999, and a decision is expected by summer 2000. The granting of the petition continues a stay of the issuance of the Fourth Circuit's mandate while the Supreme Court considers the case. The age and identification provisions of FDA's tobacco rule have been in effect since February 1997, therefore remain in effect pending the Supreme Court's final decision.

FY 2001 BUDGET REQUEST

SPECIAL PROGRAM INITIATIVES

Enforcement and Evaluation + $3.0 million

- The Agency will expand its enforcement program by conducting 225,000 compliance checks, a 12½ percent increase over the number scheduled to be conducted in FY 2000. This will allow FDA to inspect 28 percent * of identified retail outlets at least once, and re-inspect 100 percent of retailers found in violation within three months of providing notice of the violation or of adjudication of a civil monetary penalty. *(Tobacco Performance Goal # 1)*

- FDA will create targeted demonstration-enforcement areas, where random inspections will be conducted, while being subject to intense outreach and enforcement efforts. This will allow FDA to measure the effectiveness of different mixes of interventions on illegal sales of tobacco products to minors. *(Tobacco Performance Goal # 1)*

- Assuming other parts of the tobacco regulation are in effect, the Agency will increase investigators' responsibilities during each visit to include checking on the removal of vending machines and self-service displays and illegal advertising.

Increase by 14 percent the number of compliance checks conducted in FY 2001 to 228,000 and conduct follow-up compliance checks of 100 percent of retailers found to be in violation of the rule.[1]

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[1] We have attempted to align the budget request and performance plan goals. All italicized items represent performance goals in the Agency's performance plan, with the specific reference following. More information on these goals and past performance can be found in the performance plan.

* This number assumes 800,000 tobacco retailers; estimates range from 500,000 to 1.5 million retailers.

Compliance Outreach +$2.0 million, 0 FTE

- Enhance outreach activities by: Advertise via TV, radio, newspapers and billboards reminding retailers of their responsibility; Increase to 50 the number of major markets where intensive advertising campaigns are conducted to evaluate the effectiveness of the ongoing campaign in reducing illegal sales; Create new retailer materials specifically designed for different types of retail outlets such as grocery stores, pharmacies and gas stations; and distribute new retailer kits to 200,000 retailers, which include explanations of the requirements, and posters and materials that help explain the rules to customers to defuse customer anger or anxiety. *(Tobacco Performance Goal # 2)*

- Increase the retailer recognition program to 10,000 retailers by: Distributing direct mail pieces and provide kits to retailers who request them. *(Tobacco Performance Goal # 2)*

  Maintain the percentage of known retailers of cigarettes and smokeless tobacco products who are aware of the FDA tobacco rule at no less than 90 percent and double the percentage of retailers who understand the age and ID provisions and the consequences of not complying with the rule in all markets subject to the intensified media campaign.

JUSTIFICATION OF BASE

The FY 2000 budget included $34,000,000 for implementation of the age and photo identification requirements of this regulation, as well as the implementation of other provisions of the rule as they become effective. During FY 2000, FDA will primarily engage in three activities: enforcement, compliance-based outreach, and product regulation.

The FY 2000 goals for the tobacco program build on the progress made toward enforcing the tobacco rule. Implementation and enforcement of FDA's tobacco regulation is a central component of the President's Initiative on tobacco. FDA plans to ensure fundamental progress in all States – in partnerships with State and local authorities – to reduce young people's use of tobacco products.

Enforcement and Evaluation

A key influence on a retailer's decision to comply with a new legal requirement is the extent to which the individual perceives he or she is likely to be found in violation. The Agency has developed a general enforcement strategy aimed at conducting compliance checks in each retail outlet that sell tobacco products. Under the current enforcement plan, those retailers who do not make a sale receive a letter informing them that they are in compliance with the rule. To enforce the rule:

- FDA inspects retail facilities and takes enforcement actions against those establishments found to have violated the age and identification restrictions. *(Tobacco Performance Goal # 1)*

- FDA contracts with and commissions State and local officials to conduct inspections. The FDA regional staff train the designated officials as each new State contract is signed, with subsequent training to be conducted by the State and local officials, as the need arises. Under contracts signed in FY 1999, FDA inspections will be conducted in all 50 States, Washington, DC, American Samoa, and the Virgin Islands in FY 2000. *(Tobacco Performance Goal # 1)*

  Increase by 14 percent the number of compliance checks conducted in FY 01 to 228,000 and conduct follow-up compliance checks of 100 percent of retailers found to be in violation of the rule.

Compliance Outreach

A strong outreach program is one of the most effective ways to increase compliance with this rule. FDA is conducting a national advertising campaign aimed at raising retailers' awareness of the new regulations and motivating them to comply. The campaign's primary target audience is managers and clerks in stores that sell tobacco. In FY 1999, the Agency received the marketing industry's highest honor for effective advertising, the EFFIE Award, for its 1998 compliance-based advertising and education campaign. The FY 2000 compliance outreach efforts build on the success of the earlier campaign to ensure that those directly affected by this rule understand what their responsibilities are, why such measures are needed, and the consequences associated with noncompliance. Under the current outreach plan:

- FDA is creating, producing and distributing a multimedia advertising campaign in up to 40 top media markets for a four-week flight. The campaign includes 2 radio, 1 TV, 3 billboard, and 3 print advertisements. *(Tobacco Performance Goal # 2)*

- FDA is distributing to retailers 150,000 free retailer kits and 400,000 direct mail pieces that inform retailers about the program and encourage them to use the in-store materials. *(Tobacco Performance Goal # 2)*

- FDA is pilot testing a program that will publicly recognize 3,000 retailers across the country who refuse to sell cigarettes or smokeless tobacco to youth. *(Tobacco Performance Goal # 2)*

- FDA plans to participate in 30 retailer or other trade shows and hold up to 60 one-on-one meetings with retailers to educate them about the program and respond to their questions or concerns. *(Tobacco Performance Goal # 2)*

Maintain the percentage of known retailers of cigarettes and smokeless tobacco products who are aware of the FDA tobacco rule at no less than 90 percent and double the percentage of retailers who understand the age and ID provisions and the consequences of not complying with the rule in all markets subject to the intensified media campaign.

Product Regulation

The Agency is exploring questions associated with product regulation, including classification and quality system regulations, to ensure that the health consequences of tobacco products or their ingredients, additives or constituents are made less harmful in order to reduce the death and disease caused by tobacco use.

Tobacco
Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$4,614	$0	$4,614	38
FY 1997	$4,914	$0	$4,914	21
FY 1998	$34,000	$0	$34,000	25
FY 1999	$34,000	$0	$34,000	25
FY 2000 est.	$34,000	$0	$34,000	25

Enforcement

- Solicited bids from 57 States and territories to contract with FDA to conduct compliance checks. FDA exceeded its contracting goals by signing contracts that will result in compliance checks being conducted in all 50 States and 3 Territories. Many States increased the number of checks and the area in which they would be conducted.

- Achieved a 166 percent increase in the number of compliance checks. This increase is attributed to the increase in the number of States under contract, the level of efficiency in conducting compliance checks gained through experience, and the use of automation. Existing contracts resulted in a total of 107,200 compliance checks completed, five percent of which were re-inspections of retailers found to have violated the rule.

- Increased the number of civil monetary penalty cases filed by almost 1,000 percent. FDA began seeking civil monetary penalties from retailers who were found to have violated the age and identification restrictions for a third time.

- Provided retailers with a mediation procedure to resolve civil monetary penalty complaints and avoid litigation. Many retailers found to have violated the rule more than once have been small businesses, such as individual proprietorships, small convenience stores, or gasoline stations. During a mediation conference call, the mediator offers the retailer suggestions for preventing future violations, and has resulted with almost all cases settling to the satisfaction of the retailer and has been favorably viewed by retailers.

- FDA designed and installed a computer system equipped to print compliance check forms for each State with the names of the retailers to be inspected; receive and track results of the investigations; print compliance letters and Notices of Violations; and establish and maintain the legal record for later civil monetary penalty proceedings. It is estimated that between 500,000 and 1.5 million retailers may sell tobacco. Although several States have license records for retailers, many States have either inadequate or nonexistent lists. Designed a computer system to automate the program's processes and to develop and maintain a list of retailers selling tobacco in each State.

Outreach

Received the marketing industry's highest honor for effective advertising, the EFFIE Award for its compliance-based advertising and education campaign designed to ensure retailer compliance, and to boost retailer awareness of the regulation. This multi-faceted program consists of free retailer materials, radio, print, and billboard ads, direct mail, exhibits and speeches, and a toll-free hotline. FDA also developed a TV ad for the campaign.

- Increased the scope and reach of the advertising campaign. Retailers and sales clerks are the primary target audience for this campaign. In addition to reminding retailers and sales clerks not to sell to minors and to check young peoples' photo identification, the campaign also urges customers to cooperate with retailers attempting to meet their responsibilities to help keep young people tobacco-free.

- Participated in national meetings held by the retail industry and health professionals to explain retailers' responsibilities under the regulation and respond to their questions and concerns. Displayed exhibits at four major retailer conferences and provided free in-store materials to help their clerks comply with the age and identification requirements. Continued to participate in conferences held by health professionals and delivered speeches at events and conferences across the country.

Product Regulation

- Commissioned the Institute of Medicine (IOM), a member of the National Academy of Sciences, to convene a national panel of experts to study tobacco issues, and their impact on public health. The IOM will assemble a panel of senior experts in fields such as chronic

disease epidemiology, cardiac and pulmonary physiology, device and regulatory law, nicotine addiction, clinical medicine, pharmacology and toxicology, and health risk perception, and will produce a report to better evaluate the scientific and regulatory issues raised by drug and tobacco products.

Other Activities

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases/ Decreases	FY 2001 Estimate
Direct Appropriation [1]	$84,484	$78,046	$77,981	$249	$78,230
Other User Fees	$155	$177	$177	$4	$181
Total	$84,639	$78,223	$78,158	$253	$78,411
FTE	905	793	793	(13)	780

1/ Includes Salaries & Expenses, Rent, and PDUFA, where applicable.

EXPLANATION OF PROGRAM

Other Activities provides central program direction and administrative services for Agency programs to ensure that FDA's consumer protection efforts are effectively managed and that available resources are put to the most efficient use. Functions include providing agency-wide policy development in medical affairs, scientific coordination, regulatory requirements, legislation, planning and evaluation, consumer communications and public information; and management expertise and coordination in financial management, personnel, equal opportunity and agency-wide diversity program functions, contracts and grants administration, procurement property and space control, and communications systems. Other specific programs include Freedom of Information Act activities, administration of internal controls required under the Federal Managers' Financial Integrity Act, and the Small Business Program, to assist small businesses in carrying out regulatory requirements and in participating in FDA's regulatory decision-making process.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

POSTMARKET INITIATIVES + $0.3 MILLION, 2 FTE

Internet Drug Sales + $0.3million, 2 FTE

FDA is requesting a total of $10.0 million and 77 FTE to reduce the illegal promotion, sales and distribution of approved and unapproved prescription and nonprescription pharmaceuticals via the Internet, which will protect consumers from obtaining unsafe, ineffective, and fraudulent products

that present a real danger to the public health. The Internet, while promising enormous benefits to business and consumers, is also being used by unscrupulous sellers of prescription drugs and other medical products to entice consumers to buy these products without medical supervision. Drugs sold over the internet pose a number of dangers to consumers, e.g., counterfeit, contaminated, super-potent, sub-potent, or lacking in necessary warnings and other labeling. Consumers are also being enticed to purchase legitimate drugs that are unsafe when used improperly, e.g., purchases of Viagra by consumers with heart disease. During FY 1999 and 2000, sites offering such drugs grew dramatically and there have been increasing public and Congressional calls for greater FDA action.

To support this effort, FDA request $0.3 million and two attorneys for the Office of Chief Counsel (OCC) for Internet enforcement. The Office of Chief Counsel is responsible for working closely with the Center for Drug Evaluation and Research, the Office of Regulatory Affairs (including the Office of Criminal Investigations), and the Department of Justice to bring civil and criminal enforcement actions involving illegal Internet activity. Additionally, OCC will be reviewing partnership agreements on Internet enforcement between FDA and the National Association of Boards of Pharmacy and Federation of State Medical Boards.

Other Activities

Selected FY 1999 Accomplishments

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$93,950	$0	$93,950	966
FY 1997	$91,401	$155	$91,556	996
FY 1998	$89,682	$142	$89,824	957
FY 1999	$84,484	$155	$84,639	930
FY 2000 est.	$77,981	$177	$78,158	793

- **Restructured the Office of the Commissioner:** Restructured the Office of the Commissioner (OC) effective June 20, 1999, to promote leadership in building effective, two-way communications between the Agency and all of its stakeholders; implement agency priorities and develop policy with primary input from Center Directors and the Associate Commissioner for Regulatory Affairs; streamline the OC to make the overall Agency more effective and efficient with roles and responsibilities clearly delineated; and retain in OC only those functions which cannot be reasonably and more effectively performed in the Centers or the Office of Regulatory Affairs.

- **Food and Drug Modernization Act:** Assisted in the implementation of the FDA Modernization Act of 1997 by participating in myriad working groups and by reviewing, for legal sufficiency, dozens of proposed and final regulations, guidance documents, Federal Register notices, and reports designed to achieve the principal goals of this far-reaching law, namely, greater patient access to new medical products and more effective management of FDA's limited resources.

- **Food Safety:** Supported the central goal of reducing food-borne illness, by ensuring that FDA efforts are legally sound, effective, and comprehensive in terms of public health protection. Participated in FDA's regulatory initiatives focused on specific commodities that present unusual risk of food-borne illness. For example, OCC developed a legal theory to permit effective enforcement of the Agency's proposed rule concerning the safe handling of shell eggs and worked closely with the Center for Food Safety and Nutrition to ensure that the process for further developing the administrative record for the agency's juice HACCP rule was procedurally sound and would result in an appropriate record. Provided substantial technical assistance to Hill staff on two separate imported food bills to ensure that the proposed legislation would properly mesh with current law and would augment the Agency's current legal authorities in this area.

- **Women's Health:** Implemented Take Time To Care (TTTC) FDA's public awareness campaign whose goal is to reach women with the theme "Use Medicines Wisely." It makes women who are the principal users of medications and who often administer them for family members, more aware of safe medication use with materials and interactive events led by pharmacists and other health professionals. The campaign provided materials to over 5 million Americans about safe medicine use with the messages: Read the Label, Avoid Problems, Ask Questions and Keep a Record. More than 70 National Association of Chain Drug Stores (NECKTIES) member chains participate, representing over 20,000 outlets nationwide.

- **PDUFA II Information Management Five-Year Plan:** Revised the PDUFA II 5 -Year Plan to correct over-optimistic assumptions made in the earlier (1998) version of the plan about the volume of fee-paying applications and total revenues FDA expects to receive from fees paid by industry. Collected and published (in the Performance Report sent to Congress in December 1998) information about the drug and biologic application workload and FDA's performance against the PDUFA goals. FDA also collected and published (in the Financial Report sent to Congress in February 1999) information about the fee revenues collected and spent, and total FDA expenditures from all sources for the process for the review of human drug and biologic applications.

- **Partnering with the National Treasury Employees Union (NTEU):** Successfully completed contract negotiations with the National Treasury Employees Union (NTEU). The Commissioner and the President of NTEU, along with members of both the management and union bargaining team, held official contract signing ceremony in the

DHHS Deputy Secretary's Office on September 1, 1999. Our new union represents almost 6,000 professional and non-professional FDA employees nationwide, and the successful start-up period was guided by the principles outlined in the President's Executive Order 12871, which emphasizes partnerships, interest-based bargaining and alternative dispute resolution.

- **Strategic Workforce Planning Initiative.** Embarked on an Agency wide strategic workforce planning initiative to better utilize human resources and develop a plan for meeting future staffing requirements. Key components of the workforce planning initiative include identifying the various skills mix and competencies needed in the workforce of the future; identifying gaps in current and future human resources needs; developing strategies; and providing a roadmap for achieving our goals.

- **Financial Statements**. Received an unqualified opinion from independent auditors on the FY 1998 Financial Statements. The accounting standards and requirements brought about by the Chief Financial Officers Act have resulted in a marked improvement in time lines, accuracy, and credibility of financial information used for evaluation and decision making.

- **College Park Building.** Completed Phase I of the construction in February 1999. In May 1999, GSA announced the selection of the Charles H. Tompkins Company for the construction of Phase II, and on June 14, 1999, GSA issued Notice to Proceed. Released solicitation notice for renewal of mechanical and electrical operation and maintenance services at Federal Building-8 with provisions providing for a smooth transition to the College Park facility.

- **Year 2000 (Y2K) Compliance.** Provided leadership and focus for the Agency's Year 2000 compliance mandates. Successfully ensured all systems were Y2K compliant. A collateral benefit of the Y2K was the accelerated modernization of the Agency's information technology infrastructure.

Rent Activities

	FY 1999 Actuals	FY 2000 Pre-Recission Appropriation	FY 2000 Final Appropriation	Increases / Decreases	FY 2001
Direct Appropriation [1]	**$ 114,148**	**$126,035**	**$ 125,809**	**$5,000**	**$130,809**
Rental Payments to GSA (non-add)	$ 88,294	$100,180	$ 99,954	$5,000	$104,954
PDUFA (non-add)	*$ 5,428*	*$ 5,643*	*$ 5,643*	*$ 217*	*$ 5,860*
Other Rent & Rent Related Activities (non-add)	$ 25,854	$ 25,855	$ 25,855	-	$ 25,855

1/ Include Salaries & Expenses, Rent, and PDUFA, where applicable.

EXPLANATION OF PROGRAM

Rental Payments to GSA. FDA occupies over 4.1 million net square feet of GSA space, which is included in the Agency's Salaries and Expenses appropriation. The GSA rent charges are billed directly to FDA and indirectly through other agencies, and include the charges for all of FDA's GSA space, both government owned and GSA leased. About 50 percent of the GSA rent charges are for government owned or GSA leased space in the Washington, DC area. The largest individual rent charges are for the Parklawn Building complex, Federal Building 8, and Module II in Beltsville. The balance of the charges are for the Agency's field Regional Offices, District Office/Laboratory complexes, and over 130 leased offices which serve as resident posts for strategically placed field investigators.

Other Rent and Rent Related Activities. FDA incurs rent and rent-related costs for facilities within the Salaries and Expenses (S&E) appropriation that are not part of the GSA Rent. These costs are identified in three sub-accounts: Commercial Rent & Related Services, GSA Rent-Related Services and GSA Building Delegation Services. The FY 2001 budget includes $25.9 million for these activities. Below is a description of each of the sub-accounts within Other Rent and Rent-related Activities:

- The **Commercial Rent and Related Services** consists of recurring activities that FDA pays directly to non-Federal sources under the delegation of direct lease and service authority. (Note: This also includes recurring services for FDA-owned facilities.) Services include rental of space, and all recurring services for building operation; i.e.,

utilities; and services such as janitorial, guard, grounds maintenance; and operation and maintenance of heating, ventilation, and air-conditioning (HVAC) systems.

· The **GSA Rent-Related Services** includes recurring reimbursable services provided by GSA that are over and above the standard eleven hours that GSA covers in its rent charges. Services include security systems, guard services, and HVAC beyond the standard level funded by GSA.

· The **GSA Building Delegation Services** provides recurring services and one-time repairs to operate and maintain buildings delegated to FDA by GSA for management of day-to-day operations. Services include utilities and all recurring services for building operation, such as janitorial, guard, grounds maintenance, and operation and maintenance of HVAC systems.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

Rental Payments to GSA + $5.0 million

FDA is requesting a total of $130.809 million for FY 2001 to cover the costs contained in FDA's Salaries and Expense account for the Rental Payments to GSA and the Other Rent and Rent Related programs under this section. By FY 2001, FDA will occupy over 4.3 million net square feet of GSA space. Below is a description of each line item and the requested increase justifications.

Budget Authority + $3.0 million

An estimated $2.97 million increase is needed for new facilities projected for FY 2001 including full rent for the Brooklyn laboratory and Federal Office Building 8, replacement space for obsolete laboratory space in Rockville, MD, and a new charge by GSA for communication equipment.

Prescription Drug User Fees + $0.2 million

FDA is requesting an additional $0.2 million in the Rental Payments to the GSA account, for a total of $5.860 million of user fees, in support of the process for the review of human drug applications.

	Direct Appropriations	Other Appropriations	Program Level	FTE
FY 1996	$68,753	$0	$68,753	0

FY 1997	$70,447	$0	$70,447	0
FY 1998	$71,941	$0	$71,941	0
FY 1999	$114,148	$0	$114,148	0
FY 2000 est.	$125,809	$0	$125,809	0

Buildings and Facilities

	FY 1999 Actuals	FY 2000 Pre-Rescission Appropriation	FY 2000 Final Appropriation	Increases	FY 2001 Estimate
Other (B&F)	$16,178	$11,350	$11,350	$20,000	$31,350

EXPLANATION OF PROGRAM

The FDA Buildings and Facilities (B&F) appropriation provides funding for needed repairs and improvements to existing owned or leased facilities nationwide. In addition, as specifically provided, the B&F appropriation funds construction of new FDA special-purpose laboratory facilities.

FY 2001 BUDGET REQUEST

ASSURING SAFETY/STRENGTHENING SCIENCE INITIATIVES

POSTMARKET + $20.0 MILLION

<u>Construction of Replacement Los Angeles Laboratory + $20.0 million</u>

- $20.0 million is included in this request to begin construction of the Los Angeles replacement laboratory and office space project. Total costs are estimated at $43.0 million. A request for the remaining $23.0 million as an advance appropriation for FY 2002 will also be submitted.

- Completion of the Los Angeles project will enable FDA to consolidate three Los Angeles district sites (the laboratory on Pico Boulevard, the current district office in Irvine, and the San Pedro Resident Post) into one location, replacing those three existing leases totaling $2 million annually.

- This request will fund the first phase which constructs the core and shell of the project.

- The Los Angeles Laboratory is the last facility that is part of the approved field consolidation plan, however additional funding is required.

- The FDA received $9.8 million in the FY 1996 appropriation for site acquisition and design of the Los Angeles laboratory. The Agency, through the Corps of Engineers, awarded an Architectural and Engineering design contract, and acquired 10 acres of land adjacent to the University of California at Irvine.

- The Los Angeles District annually reviews nearly 1.2 million import line entries, almost 24 percent of the Agency total.

- In FY 1999 alone, the Los Angeles laboratory analyzed 23 percent of the imported Foods samples taken by FDA.

- This replacement facility will be the principal analysis laboratory for produce coming over the southern border, and is essential for quick analysis of produce from all of southern California.

- Expected benefits from the construction of the new Los Angeles laboratory include providing a much safer location and a vastly improved working environment for FDA and state laboratory personnel.

- A concentration of scientific talent will be available which will permit better management of the analytical workload and provide significant improvement in operational efficiency.

JUSTIFICATION OF BASE

Continued Construction of Arkansas Regional Laboratory

- This request also includes $3.0 million towards a portion of the third and final phase of the overall Arkansas Regional Laboratory (ARL) project at Jefferson, AR.

- The total construction cost for Phase III is currently estimated at $15.5 million.

- FDA's FY 1999 and FY 2000 appropriations each included $3.0 million to work on Phase III, which leaves $9.5 million unfunded, including this request.

- Phase III provides for the renovation of the existing Building 50 in its entirety for joint ORA and NCTR administrative support space and the restoration of the laboratory project site. The joint use facility in Building 50 will provide space for information resources management (IRM) system support and other infrastructure needs commensurate with the addition of the laboratory and 100 plus staff to the NCTR campus.

Repairs and Improvements

- Base resources of $8.35 million covers the costs of repairs and improvements to facilities.

- Included are Washington area headquarters components which are now located in some 40 buildings in fifteen separate locations, five regional offices, 19 field District complexes including 19 administrative and 13 specialized laboratory facilities nationwide, more than 120 field resident posts, eight field criminal investigation offices, two distinct program laboratory complexes outside the Washington Metro area, and the National Center for Toxicological Research (NCTR) complex in Jefferson, Arkansas.

- With all of these Field facilities combined, FDA maintains offices and staff in 49 of the 50 States, and in the District of Columbia and Puerto Rico.

- While industry components that FDA regulates spend between nine percent and 12 percent of the value of their physical plants on maintenance, alteration, and repair, FDA has been spending about two percent of the value of its physical plant (laboratories and laboratory support facilities only) for the same purpose.

- The base resources for repairs and improvements have been fixed at the current level since FY 1991 and as a result, the Agency has a growing increase in the backlog of unfunded projects, now estimated at approximately $60 million.

The following table lists the planned repairs and improvements projects for the FY 2001 request of $8.35 million:

1.	ORA, Nationwide -- Miscellaneous Repair and Improvement Projects	2,210,000
2.	CFSAN, Dauphin Island, AL -- Misc. Repair and Improvement Projects	200,000
3.	Headquarters -- Decommission FB-8, Renovation of MOD I	620,000
4.	CBER, Bethesda, MD – Misc. Repair and Improvement Projects	1,405,000
5.	CDRH, Rockville -- Twinbrook Laboratories Misc. R&I Projects	200,000
6.	CVM, Beltsville, MD -- Repair and Improvement to MOD II	250,000
7.	NCTR, Jefferson, AR -- Renovations to various buildings	3,465,000
TOTAL		$8,350,000

FDA Field Laboratory Consolidation 2000

- In 1994, FDA received approval from the Secretary of Health and Human Services to proceed with streamlining ORA field laboratory operations by closing nine of eighteen laboratories and consolidating resources into a more efficient network of five large multi-purpose laboratories in Seattle, Washington; Los Angeles, California; Jefferson, Arkansas; New York, New York; and Atlanta, Georgia; and four specialty laboratories in San Juan,

Puerto Rico; Winchester, Massachusetts; Philadelphia, Pennsylvania; and Cincinnati, Ohio, over a 20-year period, through 2014.

· FDA projects costs savings to the government of over $90 million from laboratory consolidation. FDA will maintain inspection, public affairs and enforcement operations at the current District offices and resident posts.

· The analysis work conducted at the existing Detroit laboratory will continue in the Detroit metropolitan area in conjunction with an academic or State institution after the laboratory is closed. The closure date for Detroit is undecided.

· To date, FDA has closed seven laboratories – Buffalo, Chicago, New Orleans, Cincinnati, Dallas, Minneapolis, and Baltimore – and restructured three laboratories in San Juan, Philadelphia and Winchester, MA.

· Additional laboratory closings include Denver in FY 2010 and Kansas City and San Francisco in FY 2014.

· When the consolidation plan is completed, the FDA will have nine field laboratories, five multi-purpose and four speciality laboratories.

	Direct Appropriations	**Other Appropriations**	**Program Level**	**FTE**
FY 1996	$0	$24,824	$24,824	0
FY 1997	$0	$14,515	$14,515	0
FY 1998	$0	$28,094	$28,094	0
FY 1999	$0	$16,178	$16,178	0
FY 2000 est.	$0	$11,350	$11,350	0

Insert MS-PowerPoint Map of ORA Field Labs Here

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Table of Estimates And Appropriations
Salaries and Expenses

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1988	454,109,000[1]	450,504,000	454,109,000	450,504,000
1989	481,844,000[2]	481,844,000	481,844,000	481,844,000[3]
1990	556,571,000[4]	550,171,000	581,871,000	567,079,000[5]
1991	654,808,000[6]	654,808,000	661,652,000	656,519,000[7]
1992	737,604,000[8]	725,962,000	704,734,000	725,962,000
1993	757,038,000[9]	744,135,000	744,135,000	792,035,000[10]
1994	867,339,000[11]	867,339,000	692,339,000	870,123,000[12]
1995	926,007,000[13]	914,394,000	754,587,000	897,104,000[14]
1996	965,462,000[15]	917,694,000	917,694,000	917,694,000[16]
1997	964,178,000[17]	920,903,000	920,902,000	920,903,000[18]
1998	987,735,000[19]	866,467,000	978,227,000	962,671,000[20]
1999	1,153,259,000[21]	101,023,000[22]	124,025,000[22]	1,117,525,000[23]
2000	1,313,301,000[24]	1,214,231,000	1,196,819,000	1,199,677,000[24]
2001	1,354,989,000[25]			

1 The FY 1988 request includes Amendments of +$8,880,000 for AIDS, -$2,357,000 for reduced FERS Agency contribution rate, and $33,800,000 proposed to be available from user fees.

[2] The FY 1989 request includes funding of $40,420,000 for AIDS-related work which was proposed to be funded in the AIDS Research and Education Account.

[3] The FY 1989 appropriation does not include $5,000,000 added in the Anti-Drug Abuse Act.

[4] The FY 1990 request includes $56,941,000 which was included in the proposed National HIV Program account, $13,900,000 requested as a supplemental appropriation, and $100,000,000 proposed to be available from user fees.

[5] The FY 1990 appropriation includes $7,092,000 which was subsequently sequestered.

[6] The FY 1991 request includes $157,175,000 proposed to be available from user fees.

[7] The FY 1991 appropriation includes $8,868 which was subsequently sequestered.

[8] The FY 1992 request includes $197,500,000 proposed to be available from user fees.

[9] The FY 1993 appropriation request includes $200,000,000 proposed to be available from user fees.

[10] The FY 1993 appropriation includes $1,900,000 to fund a clinical pharmacology pilot program; and a $3,000,000 supplemental for Mammography Quality Standards Act (MQSA) to be transferred from HCFA, NIH and CDC; and $36,000,000 for the Prescription Drug User Fee Act.

[11] The FY 1994 request includes $54,000,000 for the Prescription Drug User Fee Act (PDUFA); $64,600,000 for Investment Initiatives; $200,000,000 proposed to be available from User Fees.
[12] The FY 1994 appropriation includes $56,284,000 for PDUFA ($2,284 which was a supplemental appropriation), and $40,000,00 for Investment Initiatives.

[13] The FY 1995 1995 request includes $79,423,000 for PDUFA; $24,000,000 for Device User Fees; $6,500,000 for MQSA fee collections; and other user fees of $228,000,000. Also included is a transfer from Office of the Secretary, Office of General Counsel to FDA of $2,745,000 and 34 FTE.

[14] The FY 1995 appropriation includes an amended S&E BA of $817,681,000 and $79,423,000 for PDUFA. The amount does not include anticipated collections of MQSA inspections fees of $6,500,000. The level reflects the amended appropriation which rescinded $2,290,000.

[15] The FY 1996 request includes S&E BA of $828,999,000; $84,723,000 for PDUFA; $13,000,000 for MQSA fee collections; $23,740,00 for MDUFA; and $15,000,000 for Import fees.

[16] The FY 1996 appropriation includes S&E BA of $819,971,000; $84,723,000 for PDUFA; and $13,000,000 for MQSA fee collections.

[17] The FY 1997 request includes S&E BA of $823,771,000; $87,528,000 for PDUFA; $13,403,000 for MQSA fee collections; $24,476,00 for MDUFA; and 15,000,000 for Import fees.

[18] The FY 1997 appropriation includes S&E BA of $819,971,000; $87,528,000 for PDUFA; and $13,403,000 for MQSA fee collections.

[19] The FY 1998 request includes S&E BA of $750,922,000; $91,204,000 for PDUFA; $13,966,000 for MQSA; $131,643,000 for new user fees. Does not reflect proposed PDUFA Supplemental request of $25,618,000 requested with the FY 1999 President's Budget.

[20] The FY 1998 appropriation includes S&E BA of $857,501,000; $91,204,000 for PDUFA; and $13,966,000 for MQSA fee collections.

[21] The FY 1999 request includes S&E BA of $878,884,000; $132,273,000 for PDUFA; $14,385,000 for MQSA; and $127,717,000 for new user fees.

[22] The FY 1999 House Action, Senate Action and Appropriation included the GSA Rent within the S&E Appropriation (BA of $82,866,000; PDUFA of $5,428,000).

[23] The FY 1999 appropriation includes S&E BA of $888,001,000; GSA Rent of $82,866,000 $132,273,000 for PDUFA; and $14,385,000 for MQSA fee collections.

[24] The FY 2000 appropriation includes S&E BA of $1,109,950,000 (including $94,537,000 of GSA Rent, $3,000,000 for Seafood Transfer); $145,434,000 for PDUFA; $14,817,000 for MQSA; $12,700,000 for Seafood Transfer User Fees, $17,000,000 for new user fees, and $13,400,000 for Bioterrorism.

[25] The FY 2001 request includes S&E of $1,156,905,000 (including $99,094,000 of GSA Rent); $149,273,000 for PDUFA; $15,128,000 for MQSA; $12,700,000 for Seafood Transfer User Fees, $1,500,000 for Export Certification;

and $19,483,000 for new user fees (Food Additive $8,400,000; Premarket Medical Devices $5,833,000; Foods Export Certification $5,250,000).

Table of Estimates And Appropriations
Rental Payments to GSA

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1988	34,495,000	25,612,000	34,495,000	25,612,000
1989	25,612,000	25,612,000	25,612,000	25,612,000
1990	25,612,000	25,612,000	25,612,000	25,612,000
1991	25,612,000	25,612,000	25,612,000	25,612,000[1]
1992	25,612,000	25,612,000	25,612,000	25,612,000
1993	25,612,000	25,612,000	25,612,000	25,612,000
1994	48,575,000	48,575,000	48,575,000	48,575,000[2]
1995	48,575,000	46,294,000[3]	46,294,000	46,294,000[4]
1996	46,294,000	46,294,000	46,294,000	46,294,000[5]
1997	46,294,000	46,294,000	46,294,000	46,294,000[6]
1998	46,294,000[7]	46,294,000	46,294,000	46,294,000[7]
1999	82,866,000[8]	82,866,000[9]	82,866,000[9]	88,866,000[9]
2000	100,180,000[10]	95,888,000	93,697,000	99,954,000
2001	99,094,000[11]			

[1] Does not reflect $333 which was subsequently sequestered.

[2] Includes $15,000,000 reserved for use by FDA for repairs and improvements to facilities.

[3] Reflects a GSA rent reduction of $2,281,000 to the rent cap.

[4] Includes an authorized reduction of GSA rent payments of $3,970,000 to cover FDA's Building Delegation expenses.

[5] Includes an authorized reduction of GSA rent payments of $3,957,000 to cover FDA's Building Delegation expenses.

[6] Includes an authorized reduction of GSA rent payments estimated to be $4,705,000 to cover FDA's Building Delegation expenses.

[7] Includes an authorized reduction of GSA rent payments estimated to be $4,832,000 to cover FDA's Building Delegation expenses.

[8] Includes an authorized reduction of GSA rent payments estimated to be $4,917,0000 to cover FDA's Building Delegation expenses and $5,428,000 of PDUFA collections.

[8] In FY 1999, Congress included GSA Rent in the S&E Appropriation. Includes an authorized reduction of GSA rent payments estimated to be $4,917,0000 to cover FDA's Building Delegation expenses and $5,428,000 of PDUFA collections.

[10] PDUFA collections of $5,643,000 are not included.

[11] PDUFA collections of $5,860,000 are not included.

Table of Estimates And Appropriations
Buildings and Facilities {tc \l1 "Buildings and Facilities }

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1988	1,450,000[1]	1,450,000	1,450,000	1,450,000
1989	26,450,000[1]	23,710,000	25,736,000	23,950,000
1990	1,450,000[1]	6,950,000	12,250,000	8,350,000
1991	4,752,000[1]	8,350,000	10,850,000	8,350,000
1992	10,000,000[1]	10,400,000	8,350,000	8,350,000[2]
1993	8,350,000	8,350,000	8,350,000	8,350,000
1994	8,350,000[3]	8,350,000	8,350,000	8,350,000
1995	8,350,000[4]	18,150,000	8,350,000	18,150,000[5]
1996	8,350,000	15,150,000	8,350,000	12,150,000[6]
1997	8,350,000	21,350,000	21,350,000	21,350,000[7]
1998	22,900,000[8]	21,350,000	21,350,000	21,350,000[8]
1999	8,350,000	11,350,000	12,350,000	11,350,000[9]
2000	31,750,000[10]	31,750,000	8,350,000	11,350,000
2001	31,350,000[11]			

[1] Funding of facilities projects - 1984 through 1992 - was included in the Program Expenses request but appropriated in this account.

[2] Does not include $200,000,000 provided to GSA in the Treasury, Postal Service, General Government Appropriation Act of 1992 for consolidation of FDA headquarters facilities.

[3] Does not include $73,900,000 provided to GSA in the Treasury, Postal Service, General Government Appropriation Act of 1994 for consolidation of FDA headquarters facilities.

[4] Does not include $45,000,000 provided to GSA in the Treasury, Postal Service, General Government Appropriation Act of 1995 for consolidation of FDA headquarters facilities.

[5] Includes $9,800,000 to purchase land and begin engineering and design work for replacement of FDA's Los Angeles District office and laboratory.

[6] Includes $3,800,000 for continuing work on an Arkansas Regional Laboratory at Jefferson, AR.

[7] Includes $13,000,000 for continuing modernization of Arkansas Regional Laboratory at Jefferson, AR.

[8] Includes $14,550,000 for continuing modernization of Arkansas Regional Laboratory at Jefferson, AR.

[9] Includes $3,000,000 for continuing modernization of Arkansas Regional Laboratory at Jefferson, AR.

[10] Includes $20,400,000 for construction of Phase I of the new Los Angeles Laboratory and $3,000,000 for continuing modernization of Arkansas Regional Laboratory at Jefferson, AR.

[10] Includes $20,000,000 for construction of Phase I of the new Los Angeles Laboratory and $3,000,000 for continuing modernization of Arkansas Regional Laboratory at Jefferson, AR.

Increases by Program with Center/Field Distribution

Description of Field Activities

FDA's field workforce, comprises about 32 percent of FDA's total staffing and performs inspections, sample collections and analyses of both domestic and imported products, and initiates enforcement actions. In addition to conducting regular surveillance over regulated products, this workforce also serves a critical response function when the Agency must respond to emergencies by immediately mobilizing to investigate reports of product problems including tampering incidents and those due to natural disasters such as hurricanes, floods and earthquakes. The field workforce is also involved in informing businesses and consumers about FDA-related topics, and in working with state and local agencies to develop programs that make the best use of Federal, state, and local resources in protecting the public health.

FDA's field force conducts investigational and laboratory functions for all of FDA's major product areas -- Foods, Human Drugs, Biologics, Animal Drugs and Feeds, and Medical Devices and Radiological Products. With a highly-trained staff versed in all of FDA's product responsibilities, the Agency can respond rapidly to various types of emergencies, and redirects field efforts during the year among FDA's different programs to responod to unforseen emergencies. Examples in FY 1999 include a multistate Salmonella baildon outbreak associated to tomatoes; and possible blood cross contamination associated with dialysis tubing and filter.

To complement the regular field force, the Office of Criminal Investigations (OCI) was established during FY 1992 as part of FDAs efforts to more effectively investigate instances of criminal activity in the regulated industries. Agents are given intensive training at the Federal Law Enforcement Training Center in Glenco, Georgia and are assigned to offices throughout the country.

Field facilities include Regional Offices, District Offices, laboratories, OCI field offices, and resident posts. The five Regional Offices are staff offices which coordinate FDA activities and also coordinate with state authorities. The 19 District Offices serve as offices for investigators and compliance action staff, and are the main control point for day-to-day operations in their assigned areas. The 13 laboratories provide FDA's basic field product testing capability. A number of these laboratories serve as specialized facilities for certain types of testing and new regulatory methods development. (see map)

In addition to these facilities, FDA maintains over 120 resident posts distributed widely across the country. These are smaller offices which serve primarily as a base for investigators so that FDA can have investigative staff widely dispersed to respond to emergencies whenever they occur, as quickly as possible to minimize any potential harm.

With all of these Field facilities combined, FDA maintains offices and staff in 49 of the States, and in the District of Columbia and Puerto Rico. (A partial list of FDA facilities follows.)

Geographical Distribution of FDA Facilities

Location	**Activities**
Washington, D.C. area:	
Rockville, MD	FDA Headquarters and headquarters operations of the Human Drugs, Biologics, Animal Drugs, Device and Radiological Health products programs and laboratories
Washington, D.C.	Foods program headquarters and laboratories
Bethesda, MD	Human Drugs and Biologics laboratories
Beltsville, MD	Foods and Animal Drugs Research facilities
Field Operations Facilities:	
Jefferson, AR	Arkansas Regional Laboratory
Oakland, CA	San Francisco Regional Office
Alameda, CA	San Francisco District Office and laboratory
Irvine, CA	Los Angeles District Office
Los Angeles, CA	Los Angeles District laboratory
Denver, CO	Denver District Office and laboratory (special emphasis in animal drugs residue testing)
Orlando, FL	Florida District Office
Atlanta, GA	Atlanta Regional Office, Regional laboratory, and District Office
Chicago, IL	Chicago District Office
Lenexa, KS	Kansas District Office and laboratory (special emphasis in pesticides and total diet analysis)
New Orleans, LA	New Orleans District Office
Stoneham, MA	New England District Office

Winchester, MA	Winchester Engineering and Analytical Center (testing of Medical Devices and Radiological Health Research products)- Testing facility for Radionuclides and Radiopharmaceutics.
Baltimore, MD	Baltimore District Office
Detroit, MI	Detroit District Office and laboratory
Minneapolis, MN	Minneapolis District Office
Parsippany, NJ	New Jersey District Office
Jamaica, NY	New York Regional Office, Regional laboratory and District Office
Cincinnati, OH	Cincinnati District Office and Forensic Chemistry Center (elemental analysis)
Philadelphia, PA	Philadelphia Regional Office, District Office, and laboratory
San Juan, PR	San Juan District Office and laboratory (special emphasis in human drugs products testing)
Dallas, TX	Dallas Regional Office and District Office
Bothell, WA	Seattle District Office and laboratory (special emphasis in seafood products testing)

Other Specialized facilities:

Dauphin Island, AL	Fishery research (CFSAN)
Jefferson, AR	National Center for Toxicological Research (NCTR)
St. Louis, MO	Specialized human drugs product testing laboratory (CDER)

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Distribution by Object Class (Exhibit H)

Distribution by Object Class (Exhibit H)

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Salary and Expense Costs

Detail of FTE by Grade (Exhibit P)

Detail of FTE by Organization

Food and Drug Administration

New Positions Requested

FY 2001

	Grade	Number	Annual Salary/ FTE
BUDGET AUTHORITY:			
Internet Drug Sales (77)			
Human Drugs (75)			
Consumer Safety Officer	7,9	7	36,000
Consumer Safety Officer	11,12,13	8	55,000
Computer Systems Analyst	11,12,13	2	55,000
Compliance Officer/Technician	7,9,11,12,13	4	47,000
Management Analyst	11,12,13	3	55,000
Consumer Safety Officer	12,13	4	60,000
Special Agents	13	26	92,000
Intelligence Analysts	13	4	65,000
Consumer Safety Officer	5,7,9,11	17	35,000
Other Activities (2)			
General Attorney	12,13	2	60,000
Medical Errors (25)			
Human Drugs (13)			
Safety Evaluator	13	5	64,000
Epidemiologist	14	2	70,000
Computer Specialist	12	2	55,000
Technical Information Specialist	7,9,11	1	40,000
Computer Systems Analyst	11,12,13	1	55,000
Interdisciplinary Scientist	13,14	2	75,000
Biologics (8)			
Medical Officer	13,14	3	70,000
Consumer Safety Officer	11,12,13	3	55,000

Computer Systems Analyst	11,12,13	1	55,000
Interdisciplinary Scientist	13,14	1	70,000
Devices & Radiological Products (4)			
Public Health Program Specialist	13,14	1	70,000
General Health Scientist	12,13	1	60,000
Management Analyst	11,12,13	1	55,000
Computer Systems Analyst	11,12,13	1	55,000
AERS/Dietary Supplements (5)			
Foods (2)			
Medical Officer	14,15	2	85,000
Animal Drugs and Feeds (3)			
Veterinary Medical Officer	12,13	1	60,000
Interdisciplinary Scientist	12,13	2	60,000
Inspections (89)			
Foods (15)			
Computer Systems Analyst	11,12,13	2	55,000
Compliance Officer/Technician	7,9,11,12,13	2	48,000
Consumer Safety Officer	12,13	3	60,000
Consumer Safety Officer	5,7,9,11	4	35,000
Chemist	5,7,9,11	4	35,000
Human Drugs (31)			
Computer Systems Analyst	11,12,13	3	55,000
Quality Management Systems Monitor	7,9,11,12	2	43,000
Training Specialist	11,12,13	1	55,000
Public Affairs Specialist	11,12,13	1	55,000
Management Analyst	11,12,13	3	55,000
Consumer Safety Officer	12,13	4	60,000
Consumer Safety Officer	5,7,9,11	11	35,000
Consumer Safety Inspector	5,7,9	6	31,000
Biologics (12)			

Computer Systems Analyst	11,12,13	1	55,000
Interdisciplinary Scientist	13,14	1	70,000
Compliance Officer/Technician	7,9,11,12,13	1	48,000
Management Analyst	11,12,13	1	55,000
Consumer Safety Officer	12,13	1	60,000
Consumer Safety Officer	5,7,9,11	7	35,000
Animal Drugs and Feeds (6)			
Computer Systems Analyst	11,12,13	1	55,000
Consumer Safety Officer	12,13	2	60,000
Consumer Safety Officer	5,7,9,11	3	35,000
Devices and Radiological Products (25)			
Computer Systems Analyst	11,12,13	3	55,000
Quality Management Systems Monitor	7,9,11,12	2	43,000
Compliance Officer/Technician	7,9,11,12,13	1	48,000
Management Analyst	11,12,13	2	55,000
Consumer Safety Officer	12,13	3	60,000
Consumer Safety Officer	5,7,9,11	14	35,000

Bringing Products of New Technology to Market (63)

Foods (5)			
Consumer Safety Officer	12,13	2	60,000
Microbiologist	11,12,13	1	55,000
Chemist	14	1	75,000
Biologist	11,12,13	1	55,000
Human Drugs (3)			
Chemist	15	2	90,000
Consumer Safety Officer	12,13	1	60,000
Biologics (30)			
Computer Specialist	11,12,13	1	55,000
Biologist	11,12,13	5	55,000

Microbiologist	11,12,13	5	55,000
Medical Officer	13,14	6	70,000
Consumer Safety Officer	11,12,13	4	55,000
Chemist	11,12,13	4	55,000
Consumer Safety Officer	12,13	5	60,000
Animal Drugs and Feeds (9)			
Interdisciplinary Scientist	12,13	6	60,000
Veterinary Medical Officer	13	1	64,000
Consumer Safety Officer	11,12	2	50,000
Consumer Safety Officer	12,13	2	60,000
Devices & Radiological Products (14)			
General Biological Scientist	7,9,11,12,13	4	48,000
General Health Scientist	7,9,11,12,13	4	48,000
Biomedical Engineer	11,12,13	4	55,000
Medical Officer	13,14,15	1	80,000
Consumer Safety Officer	12,13	1	60,000
NCTR (2)			
Biologist	12,13	1	60,000
Microbiologist	12,13	1	60,000

Food Safety Initiative (131)

Foods (122)

Microbiologist	11,12,13	36	55,000
Training Specialist	11,12,13	6	55,000
Interdisciplinary Scientist	9,11,12	10	45,000
Compliance Officers	12,13,14	30	65,000
Consumer Safety Inspectors	7,9,11,12	40	43,000
Animal Drugs and Feeds (6)			
Epidemiologist	13	2	64,000
Microbiologist	13	2	64,000
Interdisciplinary Scientist	13,14	2	70,000

NCTR (3)

Microbiologist	12,13	2	60,000
Statistician	12,13	1	60,000

Bioterrorism (26)

Foods (3)

Microbiologist	12,13	1	60,000
Biochemist	12,13	1	60,000
Special Agent	13	1	92,000

Human Drugs (3)

Medical Officer	14	2	75,000
Special Agent	13	1	92,000

Biologics (14)

Biologist	11,12,13	1	55,000
Microbiologist	11,12,13	3	55,000
Medical Officer	13,14	3	70,000
Consumer Safety Officer	11,12,13	2	55,000
Chemist	11,12,13	2	55,000
Special Agent	13	2	92,000
Intelligence Analyst	13	1	64,000

Animal Drugs and Feed (3)

Interdisciplinary Scientist	11,12,13	1	55,000
Consumer Safety Officer	11,12,	1	50,000
Special Agent	13	1	92,000

Devices and Radiological Products (2)

Medical Officer	14,15	1	85,000
Intelligence Analyst	13	1	64,000

NCTR (1)

Chemist	12,13	1	60,000

USER FEES:

Foods Direct Petitions (55)

Foods (55)

Consumer Safety Officer	11,12	25	50,000
Chemist	11,12	15	50,000
Microbiologist	11,12	10	50,000
Program Analyst	9,11,12	5	45,000
Food Export Certification (23)			
Foods (23)			
Consumer Safety Officer	12,13	20	60,000
Consumer Safety Technician	7,9	3	36,000
Medical Devices Premarket Review (30)			
Devices and Radiological Products (30)			
Consumer Safety Officer	5,7,9,11,12,13, 14	3	47,000
General Health Scientist	11,12,13	4	42,000
Medical Officer	13,14,15	3	78,000
General Biological Scientist	7,9,11,12,13	3	48,000
General Engineer	13	3	64,000
Biomedical Engineer	13	3	64,000
Health Science Administrator	13	2	64,000
Public Health Program Specialist	13	1	64,000
Public Health Information Specialist	13	1	64,000
Computer Specialist	11,12,13	2	55,000
Consumer Safety Officer	11,12,13	5	55,000
Seafood Inspection Transfer (139)			
Consumer Safety Inspector	11,12	88	50,000
Microbiologist	9,11	10	41,000
Industrial Hygienist	9,11	10	41,000
Management Analyst	11,12	2	50,000
Program Analyst	11,12	2	50,000
Biological Science Aide	7,9	10	36,000
Program Support	5,7	17	28,000

MEETING THE LEGAL CONDITIONS FOR PDUFA USER FEES

PDUFA, as amended, contains three legal conditions or "triggers" that must be satisfied each year before FDA can collect and spend user fees. As an example, the following calculations summarize how those conditions were met for FY 1999.

The first condition is that FDA's Salaries and Expenses Appropriation (excluding user fees) must meet or exceed FDA's FY 1997 Salaries and Expenses Appropriation (excluding user fees and adjusted for inflation). In FY 1999, FDA's Salaries and Expenses Appropriation (excluding user fees and excluding rent to GSA, which was also not included in the FY 1997 Appropriated amount) totaled $888,001,000. FDA's FY 1997 total Salaries and Expenses appropriation, excluding user fees, and adjusted as required by the statute, was $831,743,368. Therefore, since the FY 1999 amount is greater, the first condition was met.

The second condition is that the amount of user fees collected each year must be specifically included in FDA's appropriations. For FY 1999 FDA's appropriation acts specified that $132,273,000 would come from PDUFA fees, in addition to sums provided in regular appropriations. The appropriation act specified that the fees collected could remain available until expended. Thus, the second condition was met.

The third condition is that user fees may be collected and used only in years when FDA also uses a specified minimum amount of appropriated funds for the drug review process. The specified minimum is the amount FDA spent on the drug review process from appropriations (exclusive of user fees) in FY 1997, adjusted for inflation. That amount was $147,959,689, as reported in last year's financial statement, and for FY 1999 the adjustment factor is just under 1.0144, making the adjusted amount $150,083,954. As this report shows, in FY 1999 FDA used $159,669,575 from appropriated funds for the drug review process, which exceeds the specified minimum amount. Thus, the third condition was met.

GLOSSARY OF ACRONYMS

510(k)	Premarket notification for medical devices substantially equivalent to products already on the market
AADA	Abbreviated Antibiotic Drug Application
ADE	Adverse Drug Event
ADAA	Animal Drug Availability Act of 1996
ADR	Adverse Drug Report
AERS	Adverse Events Reporting System
AHI	Animal Health Institute
AIDS	Acquired Immune Deficiency Syndrome
ANDA	Abbreviated New Drug Application
ANSI	American National Standards Institute
BLA	Biologic License Application
BIMO	Bioresearch Monitoring System
BRMS	Biologics Regulatory Management System
BSE	Bovine Spongiform Encephalopathy (Mad Cow Disease)
CABS	Conformity Assessment Bodies
CARS	Compliance Achievement Reporting System
CBER	FDA Center for Biologics Evaluation and Research
CDC	Centers for Disease Control and Prevention
CDER	FDA Center for Drug Evaluation and Research
CDRH	FDA Center for Devices and Radiological Health
CFSAN	FDA Center for Food Safety and Applied Nutrition
CGMPs	Current Good Manufacturing Practices
CJD	Creutzfeldt-Jakob disease
CMC	Chemistry, Manufacturing, and Controls

COMSTAT	Compliance Status Information System
CRADA	Cooperative Research and Development Agreement
CRS	Contamination Response System
CTS	Correspondence Tracking System
CVM	FDA Center for Veterinary Medicine
DHHS	Department of Health and Human Services
DNA	Deoxyribonucleic acid
DOD	Department of Defense
DoL	Department of Labor
DQRS	Drug Quality Reporting System
DRLS	Drug Registration and Listing System
DSHEA	Dietary Supplement Health and Education Act
EDR	Electronic Document Room
EDMS	Electronic Data Management System
EIP	Emerging Infection Program
EIR	Establishment Inspection Report
ELA	Establishment License Application
EPA	Environmental Protection Agency
ERS	Economic Research Service
ETS	Environmental Tobacco Smoke
EU	European Union
FACTS	Field Accomplishment and Compliance Tracking System
FAO	United Nations Food and Agricultural Organization
FAS	USDA Foreign Agriculture Service
FDAMA	Food and Drug Administration Modernization Act of 1997
FD&C Act	Federal Food, Drug and Cosmetic Act

FIS	Field Information System
FLQ	Fluoroquinolone
FORCG	Food Outbreak Coordination Response Group
FPL	Final Printed Label
FPLA	Fair Packaging and Labeling Act
FSI	National Food Safety Initiative
FSIS	Food Safety Inspection Service (USDA)
FTC	Federal Trade Commission
FTE	Full-time equivalents
FY	Fiscal Year (October – September)
GAO	Government Accounting Office
GAPs	Good Agricultural Practices
GATT	General Agreement on Tariffs and Trade
GPRA	Government Performance and Results Act of 1993
GMPs	Good Manufacturing Practices
GRAS	Generally Recognized as Safe food ingredients
GSFA	General Standards for Food Additives
HACCP	Hazard Analysis Critical Control Points (a quality assurance and inspection technique)
HDE	Humanitarian Device Exemption
HIV	Human Immunodeficiency Virus
HUD	Humanitarian Use Device
ICH	International Conference on Harmonization
IDE	Investigational Device Exemption
INAD	Investigational New Animal Drug
INADA	Investigational New Animal Drug Application
IND	Investigational New Drug

IOM	Institute of Medicine
ISO	International Standards Organization
ISRS	Individual Safety Reports
IT	Information technology
JIFSAN	Joint Institute for Food Safety and Applied Nutrition
LACF	Low Acid Canned Foods
LAN	Local Area Network
MATS	Management Assignment Tracking System
MDR	Medical Device Reporting system
MOU	Memorandum of Understanding
MPRIS	Mammography Program Reporting and Information Systems
MQSA	Mammography Quality Standards Act
MRA	Mutual Recognition Agreement
NADA	New Animal Drug Application
NAFTA	North Atlantic Free Trade Agreement
NAFTA TWG	North American Free Trade Agreement Technical Working Group
NARMS	National Antimicrobial Resistance Monitoring System
NASS	National Agricultural Statistics Survey
NCI	National Cancer Institute
NCIE	Notice of Claimed Investigational Exemptions
NCTR	FDA National Center for Toxicological Research
NDA	New Drug Application
NDE/MIS	New Drug Evaluation Management Information System
NIAID	National Institute of Allergy and Infectious Diseases
NIDA	National Institute on Drug Abuse
NIEHS	National Institute for Environmental Health Sciences

NIH	National Institute of Health
NLEA	Nutrition Labeling and Education Act
NME	New Molecular Entity
NPR	National Partnership for Reinventing Government
NRC	National Research Council
NTP	National Toxicology Program
NVPO	National Vaccine Program Office
OASIS	Operational and Administrative System for Import Support
OBRR	Office of Blood Research and Review
OPA	CFSAN, Office of Premarket Approvals
ORA	FDA Office of Regulatory Affairs
ORISE	Oak Ridge Institute for Science and Education
OSHA	Occupational Safety and Health Administration
OTC	Over-the-counter
OTR	Office of Testing and Research (CDER)
PAS	FDA Public Affairs Specialist
PDPs	Product Development Protocols
PDUFA	Prescription Drug User Fee Act of 1992
PIFSI	Produce and Food Safety Initiative
PLA	Product License Application
PMA	Premarket Approval (Application to market medical device that requires premarket approval)
PODS	Project-Oriented Data System
PQRI	Product Quality Research Initiative
QSIT	Quality System Inspection Technique
RA	Rheumatoid Arthritis
RCHSA	Radiation Control for Health and Safety Act

REGO	Reinventing government initiative
RIMS	Regulatory Information Management Staff
RVIS	Residue Violation Information System
SAB	Science Advisory Board
SAMHSA	Substance Abuse and Mental Health Services Administration
SE	Salmonella Enteriditis
SN/AEMS	Special Nutritional Adverse Events Monitoring System
STARS	Submission Tracking and Review System
StmDT104	Salmonella typhimurium DT 104
TB	Tuberculosis
TRIMS	Tissue Residue Information System
UK	United Kingdom
UMCP	University of Maryland-College Park
USDA	Unites States Department of Agriculture
VAERS	Vaccine Adverse Event Reporting System
VFD	Veterinary Feed Directive
VICH	Veterinary International Conference on Harmonization
WHO	United Nations World Health Organization
WTO	World Trade Organization