MESSAGE FROM THE ACTING COMMISSIONER

I am pleased to submit the Food and Drug Administration's (FDA) FY 2006 budget that represents the agency's resource requirements for the coming year. These resources will support our increasingly critical work to protect and advance the health of Americans by ensuring the safety and security of food, medical products, and animal drugs and feed, while promoting innovation so that consumers may rapidly obtain more effective health-care products and information.

The request of $1,881,489,000, which includes budget authority and user fees, focuses on four areas that I will briefly highlight. First, the request funds the critical work involved with protecting the Nation's food supply and will assist FDA in meeting the goals established by the White House Homeland Security Presidential Directive/HSPD-9, "Defense of the United States Agriculture and Food," which requires "enhancing screening procedures for domestic and imported products." Second, our request supports our medical device program and would be augmented with user fees, as well as agreed upon ambitious performance goals, to improve the quality and time required for innovative medical devices to reach the market. Third, the request will increase and enhance the review and analysis by the Office of Drug Safety within the Center for Drug Evaluation and Research of both pre-marketing and post-marketing safety information on all products regulated by the Center. Finally, the budget request supports our ongoing move to the new Federal Research Center in White Oak, Maryland, where the General Services Administration is building FDA's consolidated modern laboratories and office campus.

To address these priorities as efficiently as possible, FDA has built on the significant progress in implementing the President's Management Agenda and the goal of the Secretary of the Department of Health and Human Services for administrative consolidation. A cornerstone of our recent successes in these managerial reforms is our reliance on the Shared Services Organization that is providing high quality service to our organizations. Another example of managerial reform can be seen in FDA's continued, concerted effort to trim its Information Technology costs. Our continuing efforts to improve FDA efficiency will allow us to redirect reform savings to national priority, mission-critical areas, including food security, counterterrorism, medical countermeasures, bovine spongiform encephalopathy prevention, and patient safety.

Thank you for your continued support of FDA in the FY 2006 budget.

Lester M. Crawford, D.V.M., Ph.D.

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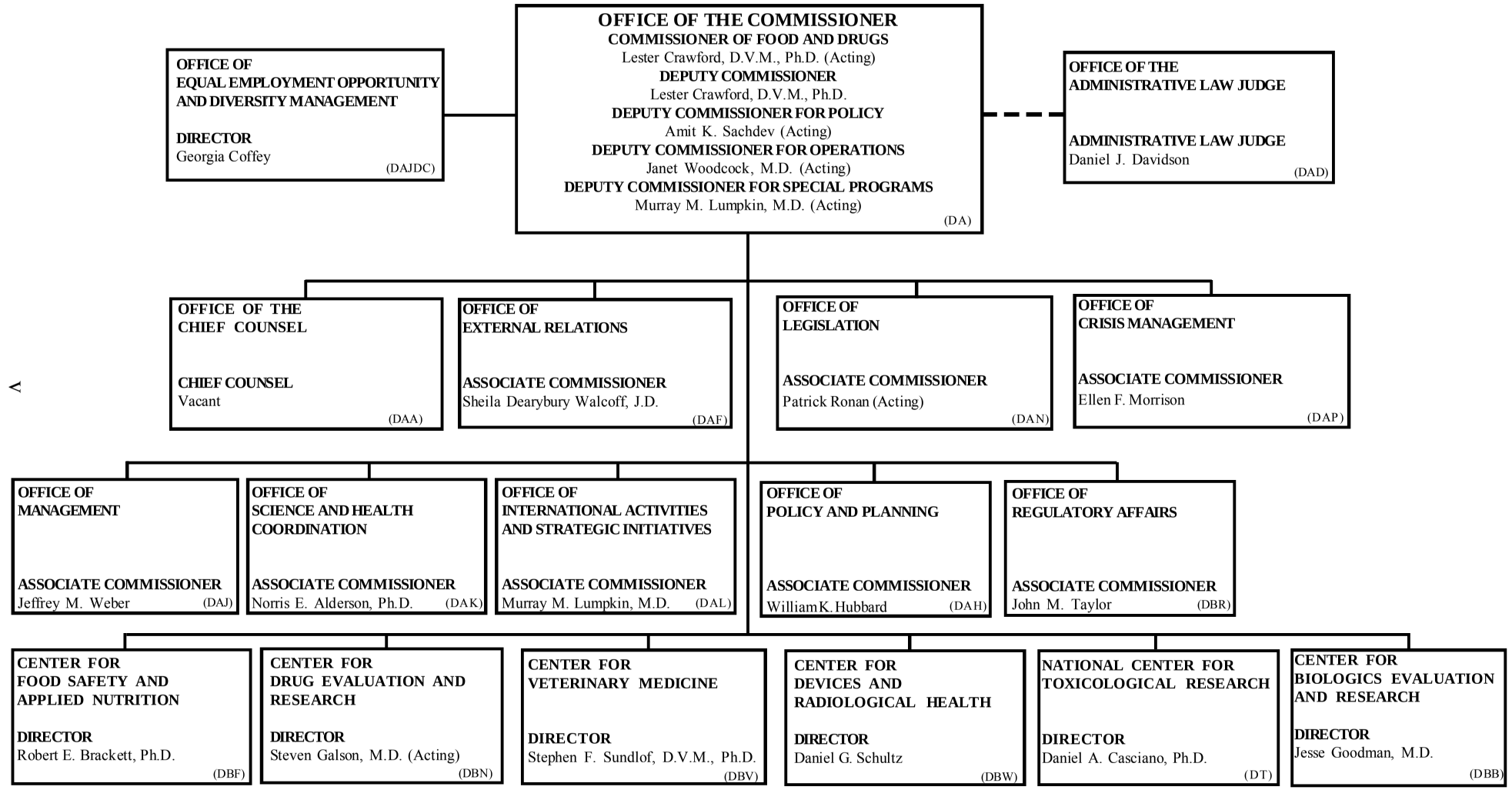


— — — **Reports directly to the Secretary, HHS**

Prepared by the Division of Management Systems, 301-827-4810, OMP, OM - 11-16-04

PERFORMANCE BUDGET OVERVIEW

Agency Mission Overview

As a part of the Department of Health and Human Services (DHHS), the Food and Drug Administration (FDA) is responsible for promoting and protecting the health of the U.S. public. These responsibilities cover a wide range of regulatory activities.

FDA's Mission

The FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, Nations food supply, cosmetics and products that emit radiation. FDA is also responsible for advancing the public health by helping to speed innovations that make medicines more effective, to provide the public accurate, science-based information needed regarding medicines and foods to improve their health. FDA plays a significant role in addressing the Nation's counterterrorism capability and ensuring the security of the food supply.

FDA decisions affect virtually every American on a daily basis. Annually, consumers spent nearly $1.5 trillion, or more than 20 percent of all consumer expenditures, on FDA-regulated products. By operating as a knowledgeable and efficient agency responsive to our customers, FDA can provide better protection for consumers and more effectively promote their health with accurate health information.

FDA works to achieve its broad mission by managing efforts toward a comprehensive set of long-term strategic goals, continuing to place greater emphasis on linking program performance to budgetary resources. To achieve these goals, FDA focuses its resources toward five broad strategic goals that are supported by the Agency's annual performance goals. These goals are:

FDA Strategic Goals
Improving FDA's Business Practices (Formally: More Effective Regulation through a Stronger Workforce)
Using Risk-Based Management Practices (Formally: Efficient Risk Management: The Most Public Health Bang for our Regulatory Buck)
Empowering Consumers for Better Health (Formally: Empowering Consumers: Improving Health Through Better Information)
Patient and Consumer Protection (Formally: Improving Patient and Consumer Safety)
Protecting the Homeland -- Counterterrorism (Formally: Protecting America from Terrorism)

Annual performance goals that are discussed in this overview continue to contribute toward achieving long-term outcome goals that have a significant impact on the health of the U.S. consumer.

FDA's strategic goals fully support the Department's strategic goals and priorities which include:

- enhancing health science research;
- improving health care services;
- responding to bioterrorism and other public health challenges; and,
- enhancing management practices.

The following table demonstrates the relationships between Departmental goals and priorities and those of the FDA.

FDA STRATEGIC AND OUTCOME GOALS ALIGNED BY HHS STRATEGIC GOALS & FY 2006 SECRETARIAL PRIORITIES

HHS STRATEGIC GOALS	SECRETARY'S FY 2006 PRIORITIES	FDA STRATEGIC GOALS	FDA OUTCOME GOALS
Achieve Excellence in Management Practices	Strengthening Management	Improving FDA's Business Practices	Reduce administrative overhead at FDA by reducing the number of administrative staff.
Enhance the capacity and productivity of the Nation's Health Science Research Enterprise	Preventing Disease / Illness	Using Risk-Based Management Practices	Reduce the average time to marketing approval for safe and effective new drugs, biologics, devices, and generic drugs.
Improve the Quality of Health Care Services	Accelerating the Adoption of Information Technology in Health Care	Patient and Consumer Protection	Reduce adverse drug events related to medication dispensing and administration errors. Increase the patient population covered by active surveillance of medical product safety.
		Empowering Consumers for Better Health	Increase consumer understanding of diet-disease relationships.
Enhance the ability of the Nation's health care system to effectively respond to bioterrorism and other public health challenges.	Responding to Bioterrorism and other Public Health Emergencies	Protecting the Homeland -- Counterterrorism	Increase FDA's capacity to effectively analyze food samples for biological, chemical and radiological threat agents in the event of a terrorist attack.

Overview of FDA Performance

This section describes FDA's planning process, strategic goals and strategies used to achieve them, the results of the OMB program assessments in developing long-term outcome goals, and the relationship between the performance planning and traditional budget presentation.

FDA Strategic Goals

FDA's five strategic goals focus resources to accomplish its mission. These goals are:

Improve FDA's Business Practices -- This goal focuses on the critical infrastructure that provides scientific support and administration to FDA's programs. Managerial and operational efficiencies being pursued under this goal support the President's Management Agenda; the Secretary's FY 2006 priority of strengthening management by creating a more streamlined, cost-effective, and accountable organization; and the DHHS strategic goal of excellence in management practices.

Current strategies to align FDA activities with these initiatives include:

- Using competitive sourcing to maximize cost-effective performance of functions;
- Developing more robust program performance data to demonstrate progress in meeting long-term outcome goals;
- Creating flexible human resource policies and programs to recruit, reward, and retain state-of-the-art scientists and health professionals; and,
- Creating a modern and efficient infrastructure, and operating the Office of Shared Services, to support mission-critical activities.

To Improve FDA's Business Practices, the key performance goal in FY 2006 is:

Improving FDA's Business Practices

Performance Goal

- Increase the percentage of contract dollars allocated to performance-based contracting.

Using Risk-Based Management Practices -- This strategic goal focuses on the safety and effectiveness of FDA-regulated products, while emphasizing risk management efficiencies. Developing and applying approaches that provide the most health protection at the least cost both improves agency cost-effectiveness and supports better industry efficiency and market competition. Ultimately, the improvements will help control health care costs.

In pursuing this goal, FDA uses the best available data and analytic methods to assess risk and target cost-effective risk management, for both pre- and post-market regulation, with continued evaluation of program performance.

FDA is employing four strategies to achieve this goal:

- Provide a timely, high quality, and cost-effective process for review of new technologies/premarket submissions;

- Provide high quality, cost-effective oversight of industry manufacturing, processing and distribution;

- Ensure the safety and security of the U.S. food and cosmetics supply to protect consumers; and,

- Identify the most effective and efficient risk management strategies and optimize regulatory decision-making.

For Risk-Based Management Practices, key FY 2006 goals include:

Risk-Based Management Practices

Outcome Goals

- Reduce average time to marketing approval for safe and effective new drugs and biologics;

- Reduce average time to marketing approval or tentative approval for safe and effective new generic drugs;

- Reduce average time to marketing approval for safe and effective new medical devices.

Performance Goals

- Ensure that a safe and effective drug supply is available to the public;

- Increase risk-based compliance and enforcement activities to ensure product quality; and,

- Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements.

Empowering Consumers For Better Health – This strategic goal focuses on providing the best available information of the risks and benefits of using FDA-regulated products to patients, consumers, and health professionals.

FDA believes that well-informed consumers and health professionals can bring about improved health if they have accurate and timely information to make informed decisions on diet, nutrition, and health care. FDA believes that significant public health benefits will result when consumers have access to, and use, information to aid them in their purchases, information that goes beyond just price, convenience and taste, but extends to include science-based health factors. More scientifically based information about the nutritional content and health benefits of foods can help consumers make tangible differences in their own long-term health by lowering their risk of numerous chronic disease, particularly those caused by obesity.

Strategies employed to achieve this strategic goal include:

- Developing an understanding of what information consumers need to make informed product choices;

- Developing the mechanisms necessary to communicate to a variety of audiences;

- Assuring that information communicated to consumers is based on sound scientific evidence; and,

- Determining the impact of FDA communications on constituents' understanding, behavior, and health outcomes.

Empowering Consumers For Better Health

Outcome Goal
- Increase consumer understanding of diet-disease relationships

Performance Goal
- Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the Nation's food supply.

Patient and Consumer Protection - This strategic goal focuses on improving the identification, resolution, and communications of health risks to health care professionals and to patients.

FDA strives to minimize adverse health events involving FDA-regulated products. While it is rare that risks associated with medical products are fully revealed during the premarket review process, adverse events may emerge after use in wider patient and consumer population. Some of these potential adverse health effects may be prevented if systems are upgraded to improve the speed in which risks are identified.

To accomplish this goal, FDA is pursuing these strategies:

- Enhancing the ability to quickly identify risks associated with FDA-regulated products;
- Developing analytical capability to identify and quantify medical product risk;
- Enhancing the capability to quickly resolve medical product risks; and,
- Increasing communication of risks to educate health care professionals and patients about problems and solutions associated with appropriate product use.

Patient and Consumer Protection

Outcome Goals
- Increase the patient population covered by active surveillance of medical product safety; and,
- Reduce adverse drug events related to medication dispensing and administrative errors.

Performance Goal
- Improve the safe use of drugs in patients and consumers

Protecting The Homeland -- Counterterrorism - This strategic goal focuses on FDA's preparation and response to potential acts of terror. Specific strategies are:

- Facilitating the development and availability of medical countermeasures to limit the effects of an attack on civilian or military populations;
- Enhancing FDA's emergency preparedness and response capabilities to be better able to respond to a terrorist attack;
- Ensuring the safety and security of FDA personnel, physical assets, and sensitive information; and,
- Implementing Homeland Security Presidential Directive-9 and the

Bioterrorism Act of 2002 to protect the security of foods and animal feeds.

Protecting The Homeland -- Counterterrorism

Outcome Goal

- Increase the capacity to effectively analyze food samples for biological, chemical and radiological threat agents in the event of a terrorist attack; and,

Performance Goals

- Enhance the Agency Emergency preparedness and response capabilities to be better able respond in the event of a terrorist attack.

Role of the OMB Program Assessments in Developing Long-Term Outcome Goals - In the FY 2004 PART evaluation, OMB identified two key areas in which the FDA should strengthen its results orientation:

- Develop specific long-term outcome goals that tie to improved public health and safety; and,

- Develop efficiency goals to demonstrate more streamlined government operations.

In response, FDA developed eight long-term outcome goals (including an efficiency goal) that were then included in the FY 2005 PART review and FY 2005 Performance Plan.

As a result, OMB's FY 2005 PART evaluation yielded a much improved score, with a rating that improved to "moderately effective." FDA leadership developed baseline information for the eight outcome goals to help measure progress.

FDA Strategic Action Plan and Agency Follow-up - To meet the strategic goals' performance commitments specified by the annual performance and outcome goals, Agency leadership also developed a Strategic Action Plan (issued in August 2003) which provided the framework for meeting these commitments.

To monitor the strategic action plan's objectives and the Government Performance and Results Act performance commitments, FDA established a senior level Strategic Planning Council was established to ensure timely progress.

In January 2004, this Council agreed to establish a performance framework to systematically link an array of program activities, outputs, and outcomes to support and demonstrate progress in meeting long-term outcome goals, and directed that OMB and DHHS be informed of FDA's progress in achieving these goals. During the spring, the Council also used performance and budget information to make decisions on FY 2006 funding priorities.

Relationship Between the Strategic Action Plan and the Performance Budget - The five strategic goals outlined above constitute the foundation for both the Strategic Action Plan and the FY 2006 Performance Budget that is aligned by strategic goal within each program's justification of base presentation.

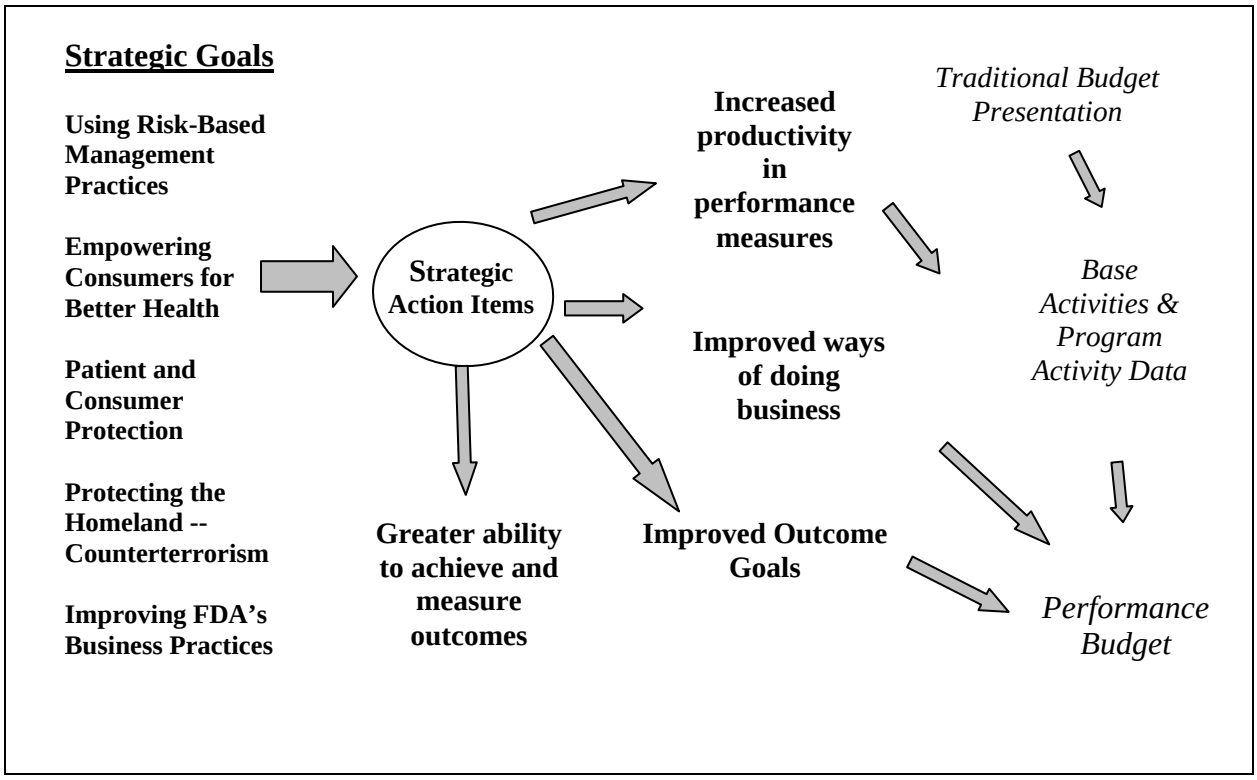
Action items emerging from the Strategic Action Plan will have several beneficial effects on performance planning. First, several of these items constitute improved ways of conducting the FDA's core business. Second, many of the action items enhance FDA's ability to identify, measure, and influence public health outcomes, resulting in a greater proportion of future performance goals being outcome-oriented.

In addition, budget and performance integration efforts have more consciously linked resources with results, presenting a more complete picture.

The presentation order in this performance budget is: base activities (Justification of Base); FY 2004 accomplishments; program activity data (PAD); and performance targets. The resource request funds base activities that in turn support the accomplishment of discrete workload outputs (PAD and performance goal targets) which contribute to achieving long term public health outcomes and strategic goals. The diagram below illustrates the relationship among strategic action planning, performance planning and budget presentation.

Flow of Performance Information into Performance Budget

From Strategic Goals through Action Items, Outcome Goals, Performance Measures, Program Activity Data, and Base Activities to Performance Budget



FY 2006 Budget Request

In accordance with FDA's strategic plan, certain activities require increased funding in order to achieve key goals. The proposed increases will allow FDA to maintain performance at current levels while supporting important new initiatives and facing new challenges that fall within its mission.

This request includes the following programmatic changes:

FY 2006 Summary of Change
Program Level
(Dollars in $000)

Increase Area	Total
Food Defense	$30,074
Medical Device Review	$5,996
The Office of Drug Safety	$5,000
GSA Rental Payments	$4,100
White Oak Consolidation	$4,128
Buildings and Facilities	$7,000
Administrative Efficiencies	($1,554)
Information Technology Reduction	($5,116)
User Fees	$31,320
Total	**$80,948**

Food Defense: + $30,074,000

To build upon gains that will be achieved with funds appropriated for food defense in FY 2005, FDA and the USDA, in conjunction with the White House Homeland Security Council, have continued to develop a joint food defense budget to protect the agricultural and food sectors. Within this initiative, FDA's request encompasses the following cross-cutting Administration priorities:

1. Establishing a national network known as the Food Emergency Response Network (FERN) to increase analytic surge capacity in the event of terrorist attack by developing adequate laboratory testing capacity for biological, chemical and radiological threats;

2. Targeted food defense research efforts, including prevention technologies, methods development, determination of infectious dose for certain agents when ingested with food, and agent characteristics within specified foods;

3. More effective targeted, risk-based inspections using data from FDA's Prior-Notice system as authorized in the 2002 BT Act;

4. Improved coordination and integration of existing food surveillance capabilities with the Department of Homeland Security's (DHS) integration and analysis function, as part of the government-wide Bio-Surveillance Initiative; and,

5. Upgrading Crisis/Incident Management capabilities.

This request will enable FDA to effectively address our laboratory, research, inspectional, biosurveillance and crisis management needs. FDA and USDA are developing a national laboratory network that will enable us to test thousands of food samples within a matter of days in the event of an act of terror or other emergency. This network must be undergirded by a strong research program to ensure that we can detect or inactivate certain agents if they are present within foods. This requested increase will also support the

Administration's biosurveillance initiatives and improve our incidence management capabilities.

The events of September 11th heightened the nation's awareness and placed a renewed focus on ensuring the protection of the nation's critical infrastructures, such as the food supply. As a result of this awareness, FDA has made fundamental changes in how we implement our mission of protecting the food supply, so that all Americans can have confidence that their food is not only safe but also secure. With this request, the Agency can continue to make progress in achieving our food defense goals.

With the continued rapid growth in food imports, FDA has become aware that pursuing food safety through import field exams alone is not the most effective strategy. The Bioterrorism Act of 2002, which established Prior Notice requirements, provided an additional tool to assess the risks of imported food and improve the focus of import food risk assessment. To complement FDA's import exams, Prior Notice Import Security Reviews receive and evaluate notices of imported foods prior to their arrival at our borders. These notices describe what each shipment contains and provides additional information such as country of origin, so that FDA is better situated to know what products are entering, whether they are of concern and if so, to conduct an examination at the port. The Prior Notice Center (PNC) operates side-by-side with the intelligence arm of the Customs and Border Protection to integrate and supplement this information.

Once an item is targeted, a security review is conducted. The PNC will receive feedback from import field exams and filer evaluations and begin targeting firms that continuously violate the law. They will also target commodities based on immediate and potential threats to the integrity and security of the food supply chain.

Medical Device Program: +$5,996,000

To strengthen FDA's medical device review process, the Medical Device User Fee and Modernization Act (MDUFMA) was authorized in FY 2002. MDUFMA is a multi-year effort to improve the quality and timeliness of the medical device review process, by authorizing the collection of user fees and creating an aggressive set of performance goals. This legislation only allows the Agency to collect user fees if a number of "triggers" are met, including achieving a certain level of budget authority for the Medical Devices and Radiological Health program. The ability to collect this user fee is critical to strengthen the medical device review process and to meet the medical device review goals by 2007.

FDA is requesting a $5,996,000 increase for medical device review, along with $40,300,000 in additional user fees for the Devices and Biologics Program. This will allow the Agency to meet the minimum statutory appropriation level of $220,823,000 for FY 2006. Without this increase, our ability to continue to collect user fees would be jeopardized.

The Office of Drug Safety: +$5,000,000

FDA's Center for Drug Evaluation and Research (CDER) is responsible for ensuring that America's drug product supply is, safe and effective, and of the highest quality. Ensuring drug product safety is a mission-critical function of CDER. Drug safety analysis and decision-making is the result of collaborative efforts among offices across the Center. CDER's Office of Drug Safety (ODS) is one such office involved in the overall drug safety function.

The $5,000,000 increase in funding will be used to strengthen the drug safety functions within ODS by: hiring additional staff to manage and lead safety reviews; increasing the number of staff with expertise in critical areas such as risk management, risk communication, and epidemiology; and, increasing access to a wide range of clinical, pharmacy and administrative databases.

GSA Rental Payments: +$4,100,000

This increase will help cover inflationary costs on properties that FDA occupies nationwide and increased rent costs at White Oak, will support the "Improving Business Practices" strategic goal and, will minimize the need to redirect resources from core programs to cover rental cost increases.

In this budget, FDA has revised its display of the GSA Rent and Other Rent and Rent-Related Activities budget lines by incorporating these costs into program-level requests. This display change will increase flexibility, eliminate many reprogramming requests to Congress, place accountability for rental cost within the operating programs, and better reflect the total cost of each program.

White Oak Consolidation: +$4,128,000

We are working with GSA to consolidate FDA at the government owned White Oak site in Montgomery County, Maryland. The new buildings will eventually replace all the existing fragmented facilities which support the Office of the Commissioner, ORA, CDER, CDRH, CBER, and CVM offices. Funding is needed to ready and occupy the project's next phase, which includes the CDRH Engineering/ Physics Laboratory and the consolidation of FDA's data center facilities. Funding will be used to equip and make the laboratory ready for occupancy. The consolidation of existing data centers will reduce the number of such facilities currently operating across FDA and will result in cost savings.

Building and Facilities: +$7,000,000

In FY 2005, the Agency did not request funding for building and facilities in order to fund other higher priority initiatives, but is now challenged to continue to sustain these buildings, some of which are over 50 years old, are in poor condition and which have deferred maintenance.

This increase will help cover the cost of repairs and improvements to existing owned or leased facilities that FDA occupies in 49 states and in the District

of Columbia and Puerto Rico. This includes approximately 40 buildings in 16 separate locations in Maryland; five regional offices, 19 field District complexes including 19 administrative and 13 specialized laboratory facilities nationwide and more than 120 field resident posts, eight field criminal investigation offices, two distinct program laboratory complexes outside the Washington D.C. Metro area; and the National Center for Toxicological Research complex in Jefferson Arkansas.

Management Savings: -$6,670,000

Management savings will accrue as a result of FDA's effort to continue to meet the President's Management Agenda goals by streamlining administrative and information technology (IT) service costs. Proposed management savings will result in a $1,554,000 reduction in administrative efficiencies and a $5,116,000 decline in informational technology spending. The effect of which is a loss of 29 FTE.

User Fees: +$31,320,000

This budget request includes user fee increases of $20,938,000 for prescription drug review, $6,362,000 for medical device review, $2,964,000 for animal drug review, $254,000 for mammography inspections, $24,000 for export certification, and $778,000 for color certification.

FOOD DEFENSE – COUNTERTERRORISM -- $30.074 Million

Desired Outcome

Safeguard the public by defending the food system against terrorist attacks, major disasters, or other emergencies.

Program Objectives

U.S. agriculture and food systems are vulnerable to disease, pest, or poisonous agents that occur naturally, are unintentionally introduced, or that are intentionally delivered by acts of terrorism. This system is extensive, open, and interconnected. FDA strives to provide the best protection possible against an attack on the food system, which could have catastrophic health and economic effects.

FDA, USDA's Food Safety & Inspection Service (FSIS), and the White House Homeland Security Council are implementing Homeland Security Presidential Directive-9 (HSPD-9), which established a national policy to defend the food supply from terrorist attacks. In this budget, the Administration requests $30,074,000 for FDA to implement this homeland security initiative.

The request, which continues food defense and counter-terrorism activities previously funded in FY 2005, supports the following HSPD-9 goals:

- Developing awareness and early warning capabilities to recognize threats;
- Mitigating vulnerabilities at critical production and processing nodes;
- Enhancing response and recovery procedures; and,
- Enhancing screening procedures for domestic and imported products.

Based on the Administration's priorities, this request is focused primarily on five major cross-cutting initiatives:

- Establishing a national network known as the Food Emergency Response Network (FERN) to increase analytic surge capacity in the event of terrorist attack by developing adequate laboratory testing capacity for biological, chemical and radiological threats;
- Targeted food defense research efforts, including prevention technologies, methods development, determination of infectious dose for certain agents when ingested with food, and agent characteristics within specified foods;
- More effective targeted risk-based inspections using data from FDA's Prior-Notice system as authorized in the 2002 BT Act;
- Improved coordination and integration of existing food surveillance capabilities with the Department of Homeland Security's (DHS) integration and analysis function, as part of the government-wide Bio-Surveillance Initiative; and,
- Upgrading Crisis/Incident Management capabilities.

Requested Increases for FY 2006
(Dollars in $000)

Program	Center	Field	Total
CFSAN	4,822		4,822
Field/ORA		22,752	22,752
Other Activities	1,500		1,500
NCTR	1,000		1,000
Total	7,322	22,752	30,074

Lab Preparedness

FERN--$20.0 million
FERN, which is managed by ORA, is a multiyear effort to establish a comprehensive network of Federal and state laboratories across the U.S. that will enable FDA to test thousands of food samples within a matter of days in the event of an act of terrorism or other emergency.

The requested increase, in conjunction with base funding, will provide an additional 19 FDA-funded state laboratories, adding to the six that were funded in 2005 and to the 10 FDA laboratories that are already up and running. Currently, 93 labs in 42 states and Puerto Rico have satisfactorily completed the FERN Laboratory Qualification Checklist, which provides vital information to determine if a lab meets the criteria for participation in FERN and is eligible for Federal funding (see map at the conclusion of this section).

These funds will also permit FERN's National Program Office to manage the laboratory response in the event of a food related emergency and coordinate the FERN support programs which provide validated food testing methods, proficiency testing for laboratories, electronic communications, and training programs for laboratory personnel.

FERN, developed in accordance with HSPD-9, integrates the nation's laboratory infrastructure to detect and identify biological, chemical or radiological threat agents in food at the local, state, and Federal levels. Its primary objectives include prevention (Federal and state surveillance sampling programs); preparedness (strengthen laboratory capacity and capabilities); response (surge capacity to handle terrorist attacks or a national emergency involving the food supply); and, recovery (support recalls, seizures, and disposal of contaminated food to restore confidence in the food supply). FERN resources are leveraged by collaborating and coordinating with other lab networks including the Laboratory Response Network (LRN) and the National Animal Health Laboratory Network.

Food Defense Research--$5.574 million

This applied and targeted research initiative addresses the significant need for research funding to ensure our ability to detect or inactivate a broad range of agents that could pose serious threats to the food supply. These funds will:

- expand and accelerate the food defense research plan by identifying additional agent/commodity combinations which will effect the relevant food defense research thrusts of methods development, agent characteristics, prevention technologies, and dose-response relationships;

- provide the required base support from FDA for the microbial forensics program that the Interagency Agreement with the DHS/National Biodefense Analysis and Countermeasures Center specifies; and,

- help to maintain the foods defense research enterprise infrastructure (equipment maintenance and repair, BSL-3 labs, select agent inspections, animal care inspections, and LRN labs).

In the food defense area, mission-critical knowledge gaps are addressed through an integrated portfolio of intramural, extramural, and consortia-based programs, which address the need to anticipate, prevent, detect, respond, and recover from a terrorist attack on the food supply. This requires research activities in:

- knowledge of the behavior and susceptibility of the population to microbiological, chemical, radiological, and biologically-derived toxic agents in priority vulnerable foods during the stages of production, distribution, marketing, and preparation;

- identification and/or development of new techniques for "shielding" priority vulnerable foods through the development of new prevention and/or security technologies;

- development of enhanced sampling and detection methods for priority agents in vulnerable foods including field deployable and in-line sensor-based screening, analytical, and investigational (forensic) technologies;

- development of effective methods for ensuring that critical food production and manufacturing infrastructure can be rapidly and effectively decontaminated if a terrorism event were to occur;

- assessments of vulnerabilities of foods and identifying areas where enhancements in preventive measures could increase the security of the food supply, and,

- knowledge of consumer behaviors and the critical role consumers play in preventing illness associated with an attack on the food supply, to ensure timely and relevant information about threats and/or an attack is understood by consumers.

The mission critical needs require that the research not stop at the generation of new knowledge and technologies, but also include the validation of those approaches under realistic conditions that reflect the diversity of the food industry, and the transfer of that technology to the appropriate sectors of the food industry.

<u>Crisis Management: Emergency Operations Network Project and Incident Management System--$1.5 million</u>

The request also supports the Emergency Operations Network/Incident Management System Project to provide

a comprehensive system for managing emergencies and related incidents in FDA's centers and field offices. The development of this system conforms to HSPD-5, "Management of Domestic Incidents", and the establishment of a National Incident Management System.

The Emergency Operations Network Incident Management System (EON IMS), managed by the FDA Office of Crisis Management, is the central hub for exchanging and relaying all emergency-related information into, within, and outside of FDA. One of its overarching objectives is to integrate multiple data streams from other electronic systems – such as the FERN, eLEXNET, Epidemic Information Exchange (EPI-X), and from FDA laboratories/investigators and external agencies -- into a coherent fashion during critical decision points. This improved information management will create a safety net that significantly reduces the probability that terrorists will achieve their aims and minimize the impact of these threats if they occur. The EON IMS is important in all emergencies and exercises requiring efficient receipt and dissemination of large volumes of information to our stakeholders, including the public and other federal and state agencies. This system will provide a web-based connection for all FDA offices and our partners, through which accurate real-time information about various incidents can be shared and discussed.

The EON IMS, which is critical for the agency to manage, plan for, and respond to emergency situations, has three components: incident tracking and contact management, a collaboration and knowledge management tool for meetings and document management, and a Geographic Information System (GIS) for mapping and impact assessment.

By developing and incorporating agency-wide guidance in the EON IMS, FDA will ensure that its emergency response is uniform, consistent, and coordinated. Participants coordinating an emergency will be able to provide input and access real-time data regarding a specific emergency, Agency operating plans and procedures, contact databases, and analysis tools which will enhance the agency's capability of responding in the most efficient way possible.

For example, during a hurricane, EON IMS would provide a central location for FDA to disseminate real-time information about the storm. Using the GIS module, we will be able to view the locations of FDA regulated firms that have been severely impacted by the storm's path. That data can then be used by FDA to implement a targeted assessment and response of those industries that would have been the most severely impacted by the storm. Forecast advisories, health-related statistics, and other facts would be posted in the incident records for all users to view. Emergency contact information would be available for FDA representatives throughout the agency, including temporary information for those individuals deployed as part of an on-site response. These contacts would be sorted by their respective office or program area, and allow coordinators to track down experts as needed.

The EON IMS also provides a system for incident management to strenghthen preparedness capabilities of FDA. The

system will also be used during emergency preparedness and response exercises, establishing vital links with federal, state and local partners in accordance with HSPD-8, "National Preparedness."

In 2004, several outbreaks of Salmonellosis associated with Roma tomatoes affected approximately 400 people in over 15 states. FDA traceback and farm investigations with CDC and the respective state and local public health and agriculture agencies were coordinated by the FDA using a pilot version of EON. It was used to manage and create tools for the investigation, including a map of locations for the onsite investigations, a contact list of investigation participants, and a log of significant investigation activities. As demonstrated during this outbreak, the EON will be used to manage the large volume of incident related information and disseminate that information to interested stakeholders in an efficient manner.

Biosurveillance/NBIS--$3.0 million

The DHS is leading the development of the National Biosurveillance Integration System (NBIS), which is intended to integrate systems that monitor health, environment, and intelligence information in order to provide early detection of threats, guided responses to events, and information sharing among agencies. eLEXNET and FERN data capture system, have been identified as a food sector specific surveillance and detection system that is a candidate system to participate in NBIS. FDA's ORA will contribute to the Administration's Bio-Surveillance Initiative by developing nationally recognized standards for data messaging and communication in the health area and by establishing the appropriate connectivity with the NBIS.

Import Field Exams and New Prior-Notice Security Review Performance Goals – Redirection of Base Resources to Risk-based Prior-Notice Security Reviews

FDA is taking advantage of the capabilities developed by the Prior-Notice Center (PNC) that was established under the BT Act of 2002. The PNC will additively complement existing efforts applied to import exams. The risk based model developed by this center is being used to identify high-risk food imports based on available intelligence and information gained from Prior-Notice requirements that collectively will enable FDA to identify and interdict suspect products.

The events of September 11th heightened the nation's awareness of security and placed a renewed emphasis on ensuring the safety of the food supply. Import food field exams, along with laboratory analyses, were FDA's major tool to physically monitor imports prior to the BT Act. Under this approach, FDA steadily increased the number of import field exams from 12,000 in FY 2001 to a target of 60,000 per year in 2004.

FDA has become aware that import field exams are not singularly the most effective approach to ensure import safety. The BT Act, which established Prior-Notice requirements, provided FDA with an additional tool to assess the risks of imported food and improve the focus of import food risk assessment. These new Prior-Notice Import Security

Reviews are just one example of the expanded targeting and follow through on potentially high risk import entries that FDA is developing to complement the import field exam.

The PNC receives and evaluates notices of imported foods prior to their arrival at our borders. These notices describe what each shipment contains and provides additional information, such as country of origin, so that FDA is better situated to know what products are entering, whether they are of concern and if so, to direct inspectors to conduct an examination at the port. The PNC operates side-by-side with the intelligence arm of the Customs and Border Protection to integrate and supplement this information.

Once an item is targeted, a security review is conducted. The PNC will receive feedback from import field exams and filer evaluations and begin targeting those firms that continuously violate the law. In addition, broader surveillance of products imported from countries considered to be at a higher risk for terrorist activities can be incorporated into targeting goals. Strategies used to ensure effective targeting will include:

- Intelligence regarding countries, commodities, and information specific to shipment or shipping entities;
- Information gleaned from Foreign and Domestic Establishment Inspection Reports that identify security breaches**;**
- Sample collection and analysis for counterterrorism; and,
- Prior-Notice discrepancies reported during import field exams.

By prioritizing some resources from field import exams to Prior-Notice Security reviews in FY 2006, FDA will implement a better tool to protect the food supply. As shown below, even with this redirection, the number of imported food entry reviews would remain roughly the same as our previous FY 2006 target. FDA believes this new system, which complements the field food exams, provides for risk based targeting and follow through on potentially high risk import entries. We believe this system places FDA in a better position to keep up with rising import volume.

Performance goal	**FY 05 target under previous system**	**FY 05 Target in New Risk-Based System**	**FY 06 Target in New Risk-Based System**
Import Field Exams	97,000	60,000	60,000
Prior-Notice Security Reviews	--	38,000	38,000

Why is FDA's Contribution so Important?

The Administration has designated the food supply as part of the nation's critical infrastructure. An attack on the food supply could pose severe public health and economic impacts, while damaging the public's confidence in the food we eat. FDA is making progress on many fronts, such as working with industry as well as state and local

food we eat. FDA is making progress on many fronts, such as working with industry as well as state and local governments, to provide sound guidance on food defense and conducting its own threat assessments.

Consequences of Not Achieving the Objective

The events of September 11th heightened the nation's awareness and placed a renewed focus on ensuring the protection of the nation's critical infrastructures. Several food incidents since the Fall 2001 highlight the significance of FDA's food security activities.

On February 27, 2004, the Office of Criminal Investigations was advised by FDA Emergency Operations of a tampering and extortion complaint received in Cincinnati, Ohio. A British citizen was convicted of trying to extort $180,000 from a Supermarket chain by threatening to place contaminated baby food on store shelves.

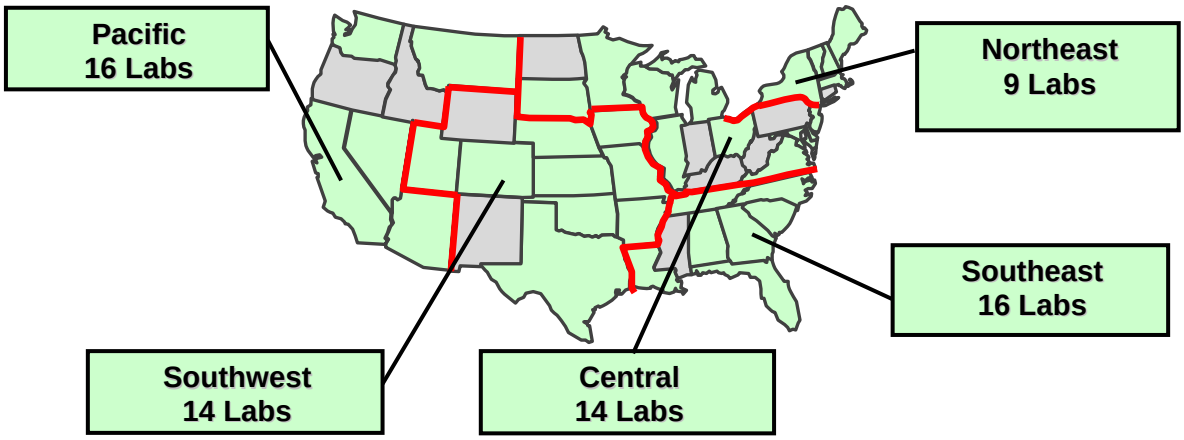
PNC collaborated with CBP in FY 2004 to direct field personnel to hold and examine 20 suspect shipments of imported food. In addition, the PNC responded to 20,430 inquiries and conducted 33,111 intensive reviews of prior notice submissions in order to intercept contaminated products before entering the domestic food supply.

As a result of new threats to the food supply, FDA has made fundamental changes in how we implement our mission of protecting our food supply, so that all Americans can have confidence that their foods are not only safe but also secure. In these efforts, the FDA and the USDA's FSIS will continue to work with the White House Homeland Security Council, DHS, and other federal agencies to further enhance our ability to detect, deter, and respond to an attack on our food supply.

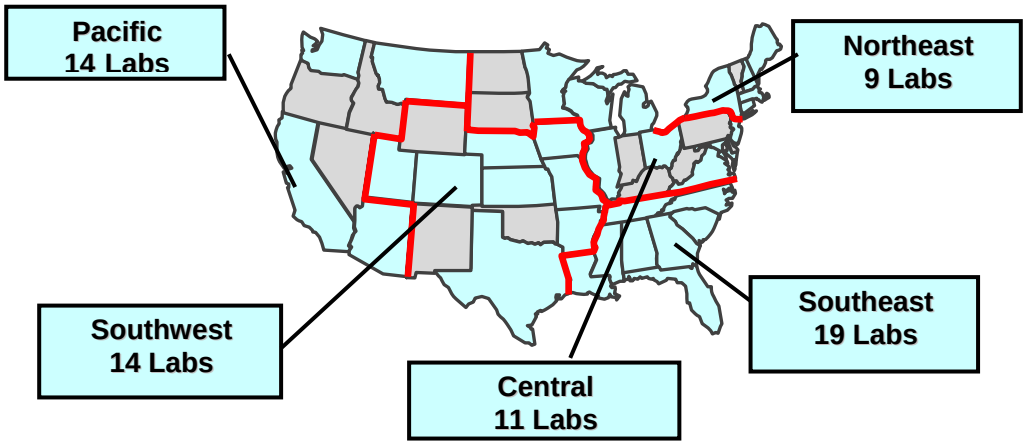
In FY 2006, FDA expects to expend $180,026,000 on Food Defense.

Food Emergency Response Network (FERN)

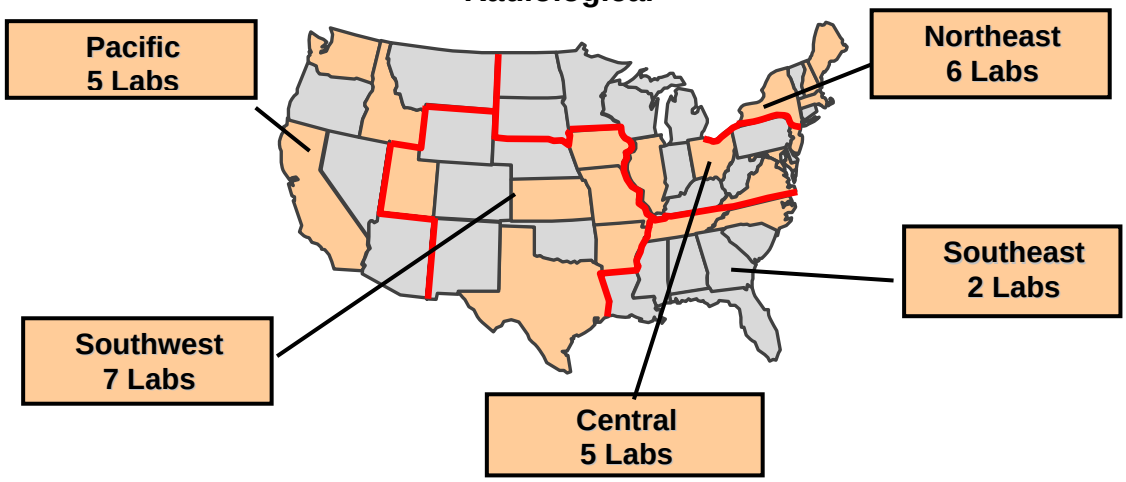
Microbiological



Chemical



Radiological



NOTE: Total lab numbers reflect laboratory capabilities for microbiological, chemical, and radiological analysis rather than actual laboratory locations because some laboratories will have capability to analyze samples for several types of agents at one location.

MEDICAL DEVICE PREMARKET REVIEW

Desired Outcome

To improve the quality and reduce the cumulative review time required to approve 510(k) and traditional Pre-Market Approval Applications (PMA), while ensuring the safety of products approved for the market.

Program Objective

To achieve the Agency's FY 2006 Medical Device User Fee and Modernization Act (MDUFMA) performance goals for prompt review, so patients can enjoy the benefits of safe and effective medical devices to diagnose, treat, and prevent disease.

The medical device review program supports the FDA Strategic Plan in the area of "Using Risk Based Management Practices." This goal is aimed at providing the most health protection at the least cost to the public by making the review process more efficient through the use of a third party review program.

Why is FDA's Contribution so Important?

Sound, risk-based review processes are imperative to ensure that medical devices on the market are safe and effective. These devices range from simple tongue depressors and bedpans to complex programmable pacemakers with micro-chip technology and laser surgical devices.

Because of the complexity of many medical devices, a 510(k) or PMA is required to market the product. A 510(k) is a premarketing submission made to FDA 90 days before a company proposes to begin marketing a new or modified device. A 510(k) demonstrates that a device to be marketed is safe and effective, and is substantially equivalent to a device that is currently legally marketed.

The PMA is required for new Class III medical devices that must be approved by FDA before the products can be marketed. Class III devices are those that support or sustain human life, are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury. Premarket review entails the scientific and regulatory evaluation of the PMA to assure the safety and effectiveness of the product.

To strengthen FDA's Premarket review process, Congress enacted MDUFMA as a multi-year effort to improve the quality and timeliness of the medical device review process. It authorizes the collection of user fees to supplement the appropriated portion of the medical device review program for the review of medical device applications. The user fee is collected from device manufacturers that submit premarket applications, certain supplements to those applications, and premarket notifications.

The implementation of MDUFMA makes available new revenue for completing more timely and complete device reviews, reducing the cumulative approval time, reducing the number of review cycles, encouraging and supporting high quality applications, and providing a more efficient resolution of outstanding issues. The viability of the MDUFMA program is essential for the success of the medical device review program.

Requested Increases - Budget Authority

MDUFMA specifies a minimum amount of budget authority that must be provided each year in the Device and Radiological Health line of FDA's appropriation. FDA's budget has undergone a structure change since the passage of MDUFMA and the Device and Radiological Health line of FDA's appropriation is equivalent to the Center for Devices and Radiological Health (without Rent) plus the Devices and Radiological Health Estimate under the Office of Regulatory Affairs.

The minimum amount is the FY 2003 base appropriation of $205,720,000, multiplied by the April Consumer Price Index for Urban areas for each year thereafter. FDA estimates that adjustment factor for FY 2006 is 1.0734 percent, [1/] which would yield a minimum that must be appropriated for the Devices and Radiological Products Program for FY 2006 of $220,823,000 plus the $138,000 in FY 2005 make up funds for a total of $220,961,000.

This legislation also requires that any appropriation shortfalls below the specified level in fiscal years 2003, 2004 and 2005 be made up, or the program will cease to operate on October 1, 2005. Recognizing this requirement, the OMB Director issued a letter on October 29, 2003 to the Speaker of the House, committing the Administration to budget requests at a level that would satisfy this MDUFMA requirement for FY 2005 through 2007. For FY 2005 Congress appropriated a level approaching the trigger level in the FY 2005 Omnibus Appropriation and the Administration anticipates that Congress will take up the legislation during FY 2005 that will forgive the Appropriation triggers for FY 2003 and FY 2004, thus allowing the MDUFMA program to maintain operations and continue to efficiently review the safety and effectiveness of medical devices.

[1/] As specified in MDUFMA, the adjustment factor for FY 2006 is the Consumer Price Index for all urban consumers, U.S. city average (CPI/U) for April of FY 2005 divided by the CPI/U for April of 2002 (179.8). The adjustment factor for FY 2006 is based on the CPI/U for FY 2005 from the Economic Assumptions for the FY 2006 Budget. This estimate will be adjusted for actuals in mid May of FY 2005 when the Bureau of Labor and Statistics releases the April 2005 CPI/U.

FY 2005 Request
Budget Authority Increase
(Dollars in $000)

Program	Center	Field	Total
Devices and Radiological Health	$1,796	$4,200	$5,996

The requested budget authority increase of $5,996,000 will allow FDA to:

- Meet all of the performance goals specified in MDUFMA for FY 2005-2007;
- Maintain the level of investigators conducting inspections; and,
- Allow the field to meet the third party inspection trigger for the MDUFMA program.

Consequences of Not Achieving the Objective

Without the ability to collect fees, FDA would lack the resources needed to meet agreed upon performance goals from FY 2003 to 2007. Failing to meet these goals would negatively impact public health by delaying improvements in the medical device review process and denying patients access to innovative new medical

procedures and treatments. The current request, in conjunction with the MDUFMA user fees, will allow FDA to meet the aggressive FY 2005-2007 medical device review performance goals.

How are we Doing?

Overall the requested budget authority of $5,996,000 for the Devices and Radiological Health Program, in conjunction with the $40,300,000 in MDUFMA user fees, will allow FDA to:

- Acquire and train staff to meet a set of aggressive FY 2005 - 2007 performance goals to expedite the review of medical device applications, which were formally submitted by the Secretary of Health and Human Services to the Congress;

- Promote public health with major improvements in the review of breakthrough medical technologies and improvements in review of expedited device submission; and,

- Make major improvements in review performance in areas where fees are collected, while maintaining performance in other areas.

Specifically, the FY 2006 FDA premarket device review performance goals include:

- Complete review and decision on 80 percent of Expedited PMA Actions within 300 days;

- Complete Review and Decision on 80 percent of 180 day PMA supplement actions within 180 days;

- Complete Review and Decision on 75 percent of 510(k) (Premarket Notification) within 90 days; and,

- Conduct 295 domestic and 15 foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations.

In FY 2006 a total of $220,961,000 is requested for the Devices and Radiological Health Program (CDRH (without rent) and the Devices and Radiological Health Estimate under the Office for Regulatory Affairs) for both premarket and postmarket activities related to MDUFMA.

OFFICE OF DRUG SAFETY (ODS)

Desired Outcome

Reduce preventable deaths and injuries associated with the use of medical products by increasing and enhancing the Office of Drug Safety's (ODS) review and analysis of both pre-marketing and post-marketing safety information on all products regulated by the Center for Drug Evaluation and Research (CDER).

Program Objectives

CDER has a central public health role to ensure that drug and biological therapeutic products are demonstrated safe and effective prior to marketing, and that these products continue to be safely used once approved and marketed.

Although products are required to be safe, safety does not mean zero risk. A safe product is one that has reasonable risks, given the magnitude of the benefit expected and the alternatives available. All participants in the product development and delivery system have a role to play in maintaining this benefit-risk balance by making sure that products are developed, tested, manufactured, labeled, prescribed, dispensed, and used in a way that maximizes benefit and minimizes risk.

Ensuring drug product safety is a mission-critical function of CDER. Drug safety analysis and decision-making is the result of collaborative efforts among offices across the Center.

ODS is one such office involved in the overall drug safety function, by playing the following roles in drug safety:

- Collaborating with CDER's Office of New Drugs (OND) in pre-market risk management analysis to:
    - Learn about and understand new drugs and its safety issues;
    - Make recommendations about potential additional population studies to be pursued after a drug is approved; and
    - Participate in advisory committee meetings
- Collaborating with OND to play a key role in safety signal (potential safety issue) identification and epidemiological analysis by:
    - Collecting and analyzing adverse event reports after a drug has been marketed; and
    - Performing epidemiological analysis to determine what a signal may mean using data from internal and external databases.
- Helping prevent medication errors and monitor previously identified errors by consulting on drug name and labeling issues; and,
- Acting as CDER's resource for epidemiological expertise for various analyses and population studies.

This initiative focuses on bolstering the drug safety functions within ODS by:

- increasing the professional staff in ODS who manage and lead safety reviews;
- increasing the number of staff with expertise in critical areas such as risk management, risk communication, and epidemiology; and,

- applying funding to increase access to a wide range of clinical, pharmacy and administrative databases.

Why is FDA's Contribution so Important?

FDA's contribution, as laid out in the Federal Food, Drug, and Cosmetic Act, is devoted largely to pre- and post-marketing drug risk assessment. The approval/nonapproval decision is the Agency's central risk management action. FDA must ensure that beneficial medical products are available and labeled with adequate information on their risks and benefits while protecting the public from unsafe products or false claims.

FDA approves a product when it judges that the benefits of using a product outweighs its risks for the intended population and use. A major goal of the pre-marketing review is to ensure that products are truthfully and adequately labeled for the population and use. Labeling is given considerable emphasis because it is the chief tool the Agency uses to communicate risk and benefit to the healthcare community and patients. Once medical products are on the market, however, ensuring safety is principally the responsibility of healthcare providers and patients, who make risk decisions on an individual, rather than a population, basis. They are expected to use the labeling information to select and use products wisely, thereby minimizing adverse events.

FDA has assumed a significant watchdog role regarding post-market surveillance. When FDA approves drugs and other medical products, it takes every precaution to ensure these products are safe when they are marketed. However, product safety continues throughout the product's lifetime. Because the clinical trials that help gauge product safety are conducted on relatively small groups of patients--usually ranging from a few hundred to several thousand--problems can remain hidden, only to be revealed after hundreds of thousands or even millions of people use the product over a prolonged period. For these reasons and more, FDA relies on MedWatch and MedSun to provide a significant amount of data on post-marketing surveillance of medical products to identify safety concerns and take necessary action. These programs depend on doctors, dentists, nurses, pharmacists, and other health professionals to provide FDA details of serious adverse reactions and medical product problems.

Requested Increases for FY 2006
(Dollars in $000)

Program	Center	Field	Total
Human Drugs	$5,000	$0	$5,000
Total	**$5,000**	**$0**	**$5,000**

With the $5,000,000 increase, ODS will:

- Hire 6 FTE to:
  - Establish policies and processes regarding safety reviews and risk management;
  - Manage communications with the Office of New Drugs; and,
  - Support patient safety initiatives and external partnerships with CMS, AHRQ, and other HHS Agencies.
- Hire 10 FTE in the 3 operating divisions of ODS to:
  - Handle the increased workload of monitoring biologic therapeutics;
  - Increase communication and coordination of safety review activities within the divisions; and,
  - Increase focus on medical error signal detection and address current

backlog of unaddressed potential signals

- Hire 4 FTE to increase staff dedicated to evaluating and communicating drug safety risks to the healthcare community and the American Public; and,
- Apply funding to increase access to a wide range of clinical, pharmacy and administrative databases. Given the highly fragmented healthcare system in the U.S., there is no single healthcare database that the Agency can rely upon to widely monitor drug adverse events. As each drug has its own indication(s) that may result in its differential use in different populations, it is essential that the CDER have access to a wide range of databases to adequately assess drug safety.

Consequences of Not Achieving the Objectives

Recent drug safety issues have resulted in questions regarding the capability and credibility of FDA's drug safety program. Without additional resources to help achieve our stated objectives, FDA may continue to be perceived as unable to ensure the safety of marketed drugs.

How Are We Doing?

Learning about the relative safety of a drug product starts from the earliest development of a chemical entity and continues throughout the clinical development and review. Once a drug is approved for marketing in the U.S. and available for general distribution, there are two fundamental ways to continue the assessment of both the safety and safe use of a medicinal product. These two approaches include 1) monitoring of adverse drugs events and medication errors as they occur in individual patients, and 2) formally studying in populations the occurrence of such events.

The FDA currently relies primarily on the reporting and analysis of instances of adverse events. In 2003, we received over 370,000 such reports, a third of which (over 144,000) where serious in nature. The strengths and limitations of our Adverse Event Report System (AERS), which now contains over 2.5 million reports, are well known. We have made vast improvements in the way we manage and analyze this large data set over the last 7 years, using a variety of electronic and statistical tools that have increased our ability to get information to safety evaluators in a timely manner.

Improvements in drug safety must begin well before the drug is approved, while the product sponsor is evaluating the safety of candidate products and deciding which will be moved forwarded to each successive stage of testing. For example, FDA is collaborating with NIH to develop common data standards for electronic reporting of adverse event in clinical trials, to assist and facilitate rapid analysis of safety findings. FDA work to improve identification of safety issues early in drug development includes efforts to mine FDA data to create predictive software that uses structure-activity relationships to help identify compounds with potentially significant adverse properties, so they can be eliminated as lead compounds earlier in development.

FDA published the *Draft Guidance for Industry: Pharmacogenomic Data Submissions* to encourage drug and biologic developers to conduct pharmacogenomic tests during drug development. Among the many potential uses of this data is identification of early signals of product toxicity. FDA scientists developed a new technique to detect the presence of

contaminating virus in small pox vaccine products; this technique can be applied to other vaccine and cell-based products.

During FY 2005 and 2006, FDA plans a variety of activities focused on increasing and enhancing the review and analysis of both pre-marketing and post-marketing safety information on all products regulated by CDER. FDA's actions during this timeframe will focus on establishing a "drug safety net", a comprehensive effort that ultimately will require that FDA have:

- Access to large clinical and drug use data sets for detecting adverse events and medication errors, and for conducting population-based safety studies;
- Linkage of these data sets to increase the "power" to detect problems;
- Development of strong analytic tools to rapidly identify "signals"; and,
- Timely, thoughtful and actionable communication of information to healthcare providers and consumers.

FDA will continue its efforts to improve the timeliness and availability of drug safety information and will be seeking alternative strategies for managing drug safety issues as well as increasing its use of external experts in evaluating post-marketing safety issues. FDA actions will be harmonized with the emerging results of an Institute of Medicine (IOM) Study of the drug safety system. In this study, IOM will evaluate the effectiveness of the U.S. drug safety system with emphasis on the post-market phase to assess what additional steps could be taken to learn more about the side effects of drugs. The committee will examine FDA's role within the health care delivery system and recommend measures to enhance the confidence of Americans in the safety and effectiveness of their drugs.

In FY 2006, FDA anticipates it will expend $22,900,000 on the Office of Drug Safety.

GSA RENT

Desired Outcome

Improve management of and provide for rising GSA rent costs without redirecting resources from core, mission-critical activities. This activity includes charges for all of FDA's GSA space, both Government-owned and GSA-leased.

Program Objective

The requested increase will assist in meeting the Improving FDA's Business Practices strategic goal, and will minimize the need to redirect resources from core programs to cover rental cost increases.

The Agency occupies over 4.6 million square feet of space including parking. Nearly half of the GSA rent charges are for government-owned or GSA-leased space in the Washington, DC area with the largest individual charges for the Parklawn complex, Module II in Beltsville, and CFSAN's new College Park location. In addition, there is the Regional office and laboratory in Jamaica, NY. The balance of the charges would affect the Regional Offices, District Office/Laboratory complexes, and over 130 leased offices, which serve as resident posts for strategically placed field investigators.

GSA Rent and Other Rent and Rent-Related - FY 2006
(Dollars in $000)

Item	
GSA Rent - BA	$113,479
Other Rent and Rent-Related - BA	$35,758
FY 2006 Increase - BA	*$4,100*
Subtotal - BA	$153,337
GSA Rent - UF	$15,421
Other Rent and Rent-Related – UF	$686
FY 2006 Increase – UF	*$1,950*
Subtotal - UF	$18,057
TOTAL GSA Rent and Other Rent	**$171,394**

Why is FDA's Contribution So Important?

The FY 2002 supplemental provided many FDA programs with substantial staffing increases in response to bioterrorism and emergency preparedness needs. To house these staff, additional space has been acquired. Also, FDA anticipates a fairly significant increase in GSA rental costs plus a final rent estimate for the White Oak facility is still pending.

Plan to Change GSA Rent and Other Rent-Related Activities Display

FDA proposes changing the way the GSA Rent and Other Rent and Rent-Related Activities budget lines are displayed. While these are currently tracked at the agency-level, FDA proposes eliminating these budget lines and incorporating rent into program-level requests.

Under the current budget structure, if rent needs unexpectedly change, a reprogramming request to Congress is

required. Displaying rent at the program-level would eliminate the need for many such requests, would place accountability for these costs with the programs, and would more accurately portray the full cost of operating each program.

Including rent in the program-level totals would provide FDA with increased flexibility to respond to unpredicted needs such as new regulatory initiatives that require additional staff and office space, safety initiatives, natural disasters, or other emergencies. Currently, a reprogramming would most likely be needed to respond to any increased rent needs resulting from these types of scenarios.

In addition, this budget structure change would strengthen our ability to respond to unexpected rent increases. Rent appropriations for a given year are estimated 16 to 28 months before the rent bills are due. Rent bills are often higher than the amount appropriated for rent. Including rent in the program-level totals would enable the transfer of funds within a center to meet an unexpected increase in rent.

This change would also better align the "full cost" of each program with strategic goals and performance measures. In addition, this change will improve accountability for the Center on how they manager their rent space.

FDA HEADQUARTERS CONSOLIDATION AT WHITE OAK

Desired Outcome

Consolidating of FDA's headquarters a decade's long effort, was made possible when Congress passed the FDA Revitalization Act (P.L. 101-635) that was enacted on November 28, 1990. In 1994, OMB approved a consolidation plan for laboratory, office and support space to be located in Silver Spring, Maryland.

Program Objective

The consolidation of the remaining FDA headquarters is occurring at the government-owned White Oak site. The design and construction of the new buildings at White Oak are funded through General Services Administration (GSA) appropriations in the same manner as the CFSAN facility with FDA paying for building fit-out and move costs. The White Oak campus will replace all existing fragmented facilities with new laboratories, office buildings and support facilities. The last part of the White Oak consolidation is scheduled to be ready for occupancy in 2010.

Why is FDA's Contribution so Important?

This project will help provide FDA with the required modern facilities to best perform its mission. The White Oak consolidation will ensure that it has state-of-the-art laboratories and facilities that will enable FDA to better respond to the Nation's drug review, approval and supply needs.

The new facility is designed to provide an environment that encourages efficiency, creativity and superior performance. This will help attract and retain top quality scientists by enabling them to do top-quality work as part of an effective team. This is even more critical as we face new challenges in ensuring that FDA regulated products are not used as a vehicle for terrorism.

Requested Increases

The FY 2006 total request of $21,974,000 will be used to fund the additional relocation needs that are not covered by the design and construction budget for the CDRH Engineering and Physics Laboratory and the new Central Shared Data Center.

The 128,000 square foot CDRH Engineering and Physics laboratory will house approximately 160 CDRH employees. These high tech laboratories will evaluate electromagnetic and medical devices, and radiological instruments and consumer appliances generating radiological signals. The facility consists of numerous vibration isolation slabs, electromagnet shielding, an anechoic chamber and laser devices especially dedicated to the program science.

Construction of the Central Shared Use Data Center began in October 2004. Consolidating the Data Center will reduce the number of such facilities currently operating within the Agency, thus resulting in cost savings. To implement this data center, FDA has

embarked upon an aggressive IT modernization strategy to enable information sharing and improved IT effectiveness, while reducing redundancy and minimizing costs. The first phase of this building, including the cafeteria, fitness center and security command center is scheduled for completion in spring 2006.

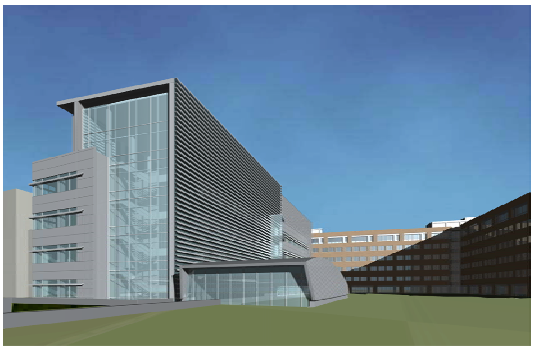
Requested Increase for FY 2006
(Dollars in $000)

Recurring Budget Authority	$17,846
FY 2006 BA Increase	$4,128
Total Increase	**$21,974**

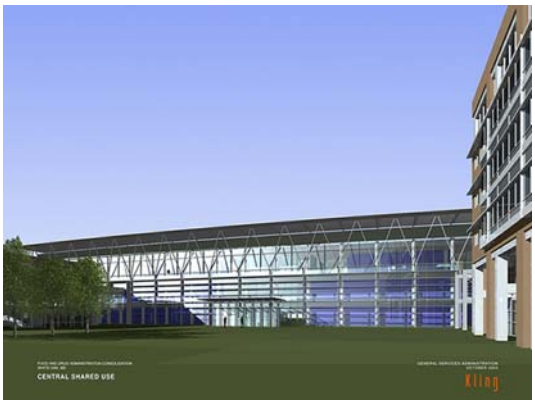
The request will be used for the CDRH Engineering and Physics laboratory and the Shared Data Center move which include:

- Internal communication needs, including equipment, cabling and audiovisual;
- Security, including infrastructure and equipment;
- Information technology and telecommunications cabling;
- Modular furniture and other equipment to furnish the building for occupancy; and,
- Relocation costs, including records management consolidation, relocation coordination and moving.

CDRH Engineering and Physics Laboratory



Central Shared Use Data Center Rendering



Consequences of Not Receiving the Resources to Complete the Move

Without this increase, FDA will be unable to prepare the space for occupancy and could delay the centralization of the new space and associated cost savings. This delay would extend the time that the Agency would be required to pay rent at its existing locations while also paying rent at the new building which will greatly impact the GSA Rent appropriation.

How Are We Doing?

The White Oak consolidation plan, which has received recognition in many different areas, estimates that over 7,700 staff will be housed in 2.3 million square feet of space. By end of 2005, the campus will have almost 700,000 sq. ft. completed with 1,850 staff on-site. The first laboratory building on the campus was dedicated on December 11, 2003.

Improving Management:

One of the first priorities of the President's Management Agenda is to make government citizen-centered. The White Oak consolidation will do just that by providing a readily identifiable location for citizens to interact with FDA. The project will also allow FDA to standardize and modernize document handling, use shared facilities such as libraries and conference areas, reduce redundancies in a wide range of administrative management tasks, and allow conversion to a single computer network. This will create a strong FDA by reducing operating costs, reducing travel time between organizations and increasing the convenience of access to FDA by the public.

Energy Savings:

As part of this project, in October 2002, GSA awarded a 20-year, $98 million, energy-services contract to Sempra Energy Solutions to construct a central utility plant that will utilize energy-saving cogeneration technology to provide electricity, heat and air conditioning. Sempra is financing the plant and recovering its costs through an energy-savings performance contract. The second phase of this contract will go into effect in 2005. FDA will be able to realize substantial annual operating savings and benefits from this energy-saving program and maintain a safe and healthful work environment for both its employees and the community. The Federal Government can lead the nation in energy efficient building design, construction and operation and can foster energy efficiency, water conservation, and the use of renewable energy products.

Design:

In 2004, FDA and Kling won an Honor Award for Design from the American Institute of Architects for the design of the Central Shared Use Building.

The award was based on project's architectural design quality, the integration into a pedestrian campus concept, the successful relationship of a new building to a historic structure, and the implementation of numerous sustainable design features into a large, significant federal project. The project received one of only two Honor Awards out of 77 entries. This award was given to the entire FDA and GSA team, plus the local community and stakeholders,

who have been very supportive and involved in the project.

GSA Funding:

From FY 2000 through 2004, Congress appropriated a total of $225.8 million to GSA for demolition, design and construction of CDER laboratories, the CDRH Engineering and Physics laboratory and offices for CDER and CDRH.

In FY 2005, the GSA request for White Oak is $88.7 million, for construction of the second CDER Office Building, internal roads and bridges, construction of parking garage, and fit-out of the Central Shared Use building. In FY 2006, GSA has requested a total of $127.8 million to complete the next phases of the consolidation plan.

FDA Funding:

In FY 2002, FDA received two-year funding of $4,000,000 to equip and occupy the laboratory for CDER. These funds partially supported actual moving costs, IT design and decommissioning costs and other associated expenses.

In FY 2004, FDA received $5,986,000 ($2,361,000 in budget authority, and $3,625,000 in PDUFA carryover funds) to equip and prepare to occupy the CDER office facility. These funds were used for telecommunication and data cabling requirements and other infrastructure costs and represent the second installment to relocate and consolidate most of CDER's headquarters activities in one location. The building is expected to be completed in April 2005.

In FY 2005, FDA received $32,937,000 to relocate approximately 1,700 CDER review staff, with increases of $15,503,000 in new budget authority, $2,343,000 in recurring move costs from the FY 2004 enacted level, $3,000,000 from new PDUFA funds and $12,092,000 from PDUFA carryover balances from previous fiscal years.

BUILDINGS AND FACILITIES

Desired Outcome

To Implement the President's Management Agenda by improving FDA operations and the quality of its facilities. Buildings and Facilities funding is for greatly needed repairs and improvements to existing owned or leased facilities all across the U. S.

Program Objective

The $7 million requested increase is for construction, improvement and repair of FDA facilities. This includes approximately 40 buildings in 16 separate locations in Maryland; plus 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 D.C. Metro area; and the NCTR complex in Jefferson Arkansas. Overall, FDA maintains offices and staff in 49 states, and in the District of Columbia and Puerto Rico.

In FY 2005, the Agency did not request funding for building and facilities in an effort to fund other higher priority initiatives, but is now challenged to continue to sustain these buildings, some of which are over 50 years old, are in poor condition and which have deferred maintenance.

Requested Increases for FY 2006
(Dollars in $000)

Item	Dollars
Building and Facilities - BA	$7,000

Why is FDA's Contribution So Important?

FDA's field laboratories provide critical laboratory and analytical support to the domestic and import inspection effort and are a key element to the FDA science base. FDA's large laboratories provide a cost-effective critical mass of scientific expertise in the fields of chemistry, microbiology, pesticide chemistry, animal drug research and total diet research areas.

Consequences of Not Achieving the Goal

Without this increase, FDA will have to continue delaying completion of projects, which will cause additional operating costs to support personnel and equipment in different buildings and postponing planned inter-center research projects. The Agency would also be in a position of having to shut down critical laboratories and buildings due to safety issues, with field operations bearing the brunt of any such closures. Given the one-year pause in Building and Facilities funding in FY 2005, this restoration is especially important, and not receiving these resources will only lead to rising costs due to the continued delays in maintenance and deterioration of the FDA facilities.

MANAGEMENT SAVINGS

Desired Outcome

To support the Administration's goals by reducing administrative and information technology costs.

Program Objective

By implementing the President's Management Agenda and Secretarial reform initiatives, FDA has achieved increased efficiencies by streamlining its organizational structure, improving the delivery of administrative and IT services, and through a re-invigorated and strategic-orientated IT plan linking mission critical programs with performance outcomes and cost-effective IT solutions.

Management savings were achieved during FY 2004 with the creation of the shared services organization, results from competitive sourcing competitions, and consolidation efforts by the Department. These savings, which are continuing in FY 2005, have permitted FDA to meet its Administration goals for reducing spending and administrative staff by 15 percent.

The total aggregate savings has amounted to over $80 million and a loss of 204 FTE. While some costs savings may be achieved in FY 2006, FDA will not be able to replicate the degree of savings previously achieved. Further staff and resource reductions will directly impact on FDA's programs.

FY 2006 Management Savings
(Dollars in $000)

Item	Dollars	FTE
Administrative Efficiencies	($1,554)	(14)
Information Technology Reduction	($5,116)	(15)
Total	**($6,670)**	**(29)**

Why is FDA's Contribution So Important?

Human and IT resources are essential to accomplishing FDA's mission, as it is more people-intensive than many government agencies, with payroll accounting for more than 60 percent of its total budget. Critical IT systems allow FDA to handle the large amounts of data used for applications review processes as well as monitoring post-marketing surveillance of regulated products. Mission critical work includes:

- The Agency's regulatory mandate to protect the public health. Interpretation and enforcement of this mandate is an inherently governmental function;
- Inspectional responsibilities which require hands-on coverage domestically and abroad;
- Product review functions which require numerous interdependent specialists in product areas who interact with industry on a regular basis;

- Regulatory responsibilities which require staff to monitor the entire life cycle of all FDA-regulated products; and,

- Review an estimated 14.4 million import line entries in FY 2005 of FDA regulated products for admissibility into domestic commerce.

USER FEES -- $31,320,000

User Fee Overview

This budget requests a $31,320,000 increase. This increase is based on a current service estimate and does not account for workload adjustments or payroll adjustments. The increase includes $20,938,000 for Prescription Drug User Fee Act (PDUFA) fees, $6,362,000 for Medical Device User Fee Modernization Act (MDUFMA) fees, $2,964,000 for the recently enacted Animal Drug User Fee Act (ADUFA) fees, $254,000 for Mammography Quality Standards Act (MQSA), $24,000 for Drugs/Devices Export Certification and $778,000 for Color Certification.

The user fees FDA collects support the following FDA strategic goals:

- Enhance public health and reduce suffering by providing quicker access to important lifesaving, safe, and effective drugs and devices; and,

- Prevent unnecessary injury and death caused by adverse drug reactions, injuries, medication errors, and product problems.

User Fee Increases for FY 2006
(Dollars in $000)

Program	
PDUFA Total	**$20,938**
MDUFMA	**$6,362**
ADUFA	**$2,964**
MQSA	**$254**
Export Certification	**$24**
Color Certification	**$778**
Total	**$31,320**

PDUFA: + $20,938,000

The Bioterrorism Act of 2002 reauthorized the collection of PDUFA user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. This authority is effective for five years and directs FDA to strengthen and improve the review and monitoring of drug safety, consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases, and develop principles for improving first-cycle reviews.

For FY 2006, FDA requests an increase of $20,938,000 for a total of $305,332,000 in PDUFA user fees. This increase is based on inflation and workload factors for the FDA drug review program.

PDUFA Increase for FY 2006
(Dollars in $000)

Program	
Human Drugs	$14,356
Biologics	$6,624
Field Activities	$1,550
Other Activities	$1,408
White Oak	($3,000)
Total	**$20,938**

Fees collected support the following FDA performance goals:

- Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available;

- Review and approve 90 percent of standard original PDUFA NDA/BLA submissions within ten months; and review and act on 90 percent of priority original PDUFA NDA/BLA submissions within six months of receipt; and,

- Review and approve 90 percent of standard PDUFA efficacy supplements within ten months; and review and act on 90 percent of priority PDUFA efficacy supplements within six months of receipt.

MDUFMA: + $6,362,000

The Medical Device User Fee and Modernization Act (MDUFMA) of 2002 is patterned after the successful Prescription Drug User Fee Act that has enabled FDA to add over 1,000 employees to the drug review process over the last decade.

This multi-year effort is designed to improve the quality and timeliness of the medical device review process. It authorizes the collection of user fees to supplement the appropriated portion of the medical device review program for the review of medical device applications. The fee is collected from device manufacturers that submit premarket applications, certain supplements to those applications, and premarket notifications.

Implementation of MDUFMA makes available new revenue for completing more timely and complete device reviews, by reducing the cumulative approval time, reducing the number of review cycles, encouraging and supporting high quality applications, and providing a more efficient resolution of outstanding issues.

For FY 2006, FDA is requesting an increase of $6,362,000 for a total of $40,300,000 in MDUFMA fees. This increase is based on inflation for the medical device review program.

MDUFMA Increase for FY 2006
(Dollars in $000)

Program	
Biologics	$673
Devices	$4,886
Field Activities	$308
Other Activities	$495
Total	**$6,362**

Fees collected support the following FDA performance goals:

- Complete review and decision on 80 percent of expedited PMAs within 300 days;

- Complete review and decision on 80 percent of 180 day PMA supplements within 180 days; and,

- Complete review and decision on 75 percent of 510(k)s (Premarket notifications) within 90 days.

ADUFA: + $2,964,000

The Animal Drug User Fee Act (ADUFA) was enacted on November 18, 2003 through the Consolidated Appropriations Act of 2004. This legislation provides a cost-efficient, high quality animal drug review process that is predictable and performance driven, to ensure the safe and effective animal drugs are available on the market The program requires new animal drug

applicants, sponsors, and establishments to incur a fee to expedite their respective applications.

The availability of safe and effective animal drugs allows food animal producers to maintain healthy animals with the assurance that resulting food products will be safe, wholesome, and free of drug residue. A safe and effective drug supply also ensures companion, service animals that assist the disabled, and other animals such as zoo animals will live healthier and longer lives.

ADUFA Increase for FY 2006
(Dollars in $000)

Program	
ADUFA	
Veterinary Medicine	$2,462
Other Activities	$502
Total	**$2,964**

The fees collected support the following FDA performance goal:

- Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA performance goals. This goal is dependent upon a sustained level of base and user fee resources.

MQSA: + $254,000

Breast cancer is the most commonly diagnosed cancer and the second leading cause of cancer deaths among American women. Experts estimate that one in eight American women will contract breast cancer during their lifetime. The Mammography Quality Standards Act (MQSA), which was reauthorized in October 2004, addresses the public health need for safe and reliable mammography. The Act required that mammography facilities be certified by October 1994, and inspected annually to ensure compliance with national quality and safety standards.

The reauthorization codified existing certification practices for mammography facilities and laid the groundwork for further study of key issues that include ways to improve physicians' ability to read mammograms and ways to recruit and retain skilled professionals to provide quality mammograms.

FDA is authorized to collect fees to pay for the costs of the annual inspections. In FY 2006, FDA is requesting a $254,000 increase for a total of $17,173,000 in MQSA fees. This increase is based on inflation and workload factors for the medical device review program.

MQSA Increase for FY 2006
(Dollars in $000)

Program	
MQSA	
Medical Devices	$163
Field Activities	$81
Other Activities	$10
Total	**$254**

This program supports FDA's strategic goal of reducing 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.

Export Certification (Drugs/Devices):

+ $24,000

FDA is required to issue certificates to any person wishing to export a drug, animal drug, or device, that the product to be exported meets certain requirement of the law. This applies to products approved for sale in the U.S., as well as unapproved products. The purpose of these certificates is to promote the export of products made in the U.S. The $24,000 increase will cover the programs' inflationary costs.

Color Certification: + $778,000

The Federal Food, Drug and Cosmetic Act (FFD&C) requires the certification of color additives. This function, which is administered by FDA's Center for Food Safety and Applied Nutrition, involves assessing the quality and safety of color additives used in foods, drugs and cosmetics. Employee salaries and expenses are funded directly by FDA's Revolving Fund for Certification and Other Services which is financed entirely by fees paid by commercial organizations. The FY 2005 increase of $778,000 will cover the programs inflationary costs and covers a anticipated fee increase with industry.

Requested Certification Increases for FY 2006
(Dollars in $000)

Program	Center	Field	Total
Export Cert.	$24	$0	$24
Color Cert.	$778	$0	$778
Total	**$802**	**$0**	**$802**

PRESIDENT'S MANAGEMENT AGENDA

The President's Management Agenda (PMA), announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government. It focuses on five areas of management across the government where improvements and progress can be made to deliver results to the American people. It reflects the Administration's commitment to achieve immediate, concrete, and measurable results in the near term, while focusing on remedies to serious problems, and commits to implement them fully.

The five government-wide goals are Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded E-government, and Budget and Performance Integration. These goals are mutually reinforcing. For example, workforce planning and restructuring undertaken as part of Strategic Management of Human Capital will be defined in terms of each agency's mission, goals, and objectives--a key element of Budget and Performance Integration. Agency restructuring is expected to incorporate organizational and staffing changes resulting from Competitive Sourcing and Expanded E-government. Likewise, efforts toward Budget and Performance Integration will reflect improved program performance and savings achieved from Competitive Sourcing and will benefit from financial and cost accounting and information systems which are part of efforts in Improved Financial Management. This review will give an update of the Agency's progress and achievements made during the past year.

Strategic Management of Human Capital

FDA is moving assertively to meet the goals of the PMA and is firmly committed to the DHHS goals to significantly improving efficiency and controlling FTE growth. The Agency has already taken a series of important steps towards achieving these goals and will continue to do so to meet the PMA and the DHHS initiatives.

Workforce Development Programs -- The FDA has expanded its FAME [Formula for Achieving Managerial Excellence] leadership training created to assist supervisors, managers and team leaders in identifying and developing the critical management and leadership skills necessary to communicate effectively, manage successfully, and create and contribute to motivated high-performance teams. FAME has also been expanded to include a fourth course, Supervisory Potential Program, which was designed to address FDA's succession planning needs and supports the FDA's strategic workforce plan to build a strong FDA by identifying future supervisors early in their careers. FDA widened its audience to include non-supervisory employees seeking the opportunity to explore supervision as a career. A leadership development program was redesigned to internally groom the future leaders of the agency.

Workforce Analysis and Workforce Planning -- A strategic workforce restructuring plan was submitted during the FY 2005 budget process outlining FDA's on-going restructuring initiatives to right-size FDA's workforce

transitioning from a large administrative support staff within each of FDA's components to a smaller, centralized unit providing administrative and support services customized according to component's needs and funded on a reimbursable basis.

FDA is moving toward competency-based business processes that depend on the correct mix of skills and abilities. With improved business processes and realigned support services, FDA should be able to redirect its resources into more mission critical positions whose skills and abilities would enable the Agency to meet its performance commitments.

Workforce Restructuring -- In an effort to improve upon our Human Capital Management Initiative, FDA offered Voluntary Separation Incentives (VSIP) to an estimated 900 employees in various administrative series. The incentives were offered in an effort to reduce administrative FTE and to assist those employees affected by the current competitive sourcing studies. A total of 320 employees accepted this incentive in FY 2004.

In January 2004, FDA began to receive its human resource (HR) services from the Department's Rockville HR Center. FDA retained the strategic workforce planning and several customized programs tailored to Agency operations. These include the administration of the Peer Review System, Commissioned Corp HR liaison, performance management, and award ceremonies.

In early FY 2004, the Office of Shared Services (OSS) was launched to provide administrative services from a single organization. By the end of FY 2004, all of FDA components including the ORA and NCTR were integrated into the OSS framework. The promise of OSS, combined with improved business processes, will allow FDA to maintain administrative service levels with substantially fewer staff.

Special Recruiting -- The Agency has embarked on a strategic recruitment outreach initiative designed to ameliorate the most significant area of under representation in the FDA workforce, namely the Hispanic community. FDA has also participated in the implementation of the Department's Hispanic Outreach Initiative.

Accountability -- In FY 2004, all of FDA's employee performance contracts and plans were linked to Agency and Departmental program goals and management objectives. This requirement will continue in FY 2005.

Improved Financial Performance

Erroneous Payments
FDA participated in the DHHS' Recovery Auditing Work Group, to develop uniform policies and procedures to be used across the Department in complying with the Improper Payment Improvement Act. The final Statement of Work has been submitted for review. FDA also conducted improper payments risk assessments for its Foods, Human Drugs, and Medical Devices programs.

Financial Management Improvement --
At the beginning of FY 2004, FDA transferred its processing of financial transactions (commercial payments,

travel, payroll, etc.) from the Office of Financial Management (OFM) to the OSS, which was created to provide administrative services for all FDA staff in the centers, field, and headquarters using the "shared services" model to achieve savings through management efficiencies and cost effective service delivery. OFM retained the functions related to policy, reporting, systems, application management, budget formulation, and budget execution.

FDA created the User Fees Team to better manage the execution, reporting and accountability of the FDA's user fee programs, in addition to the information provided for the budget formulation process. These programs include the Prescription Drug User Fee Act (PDUFA), Medical Device User Fee and Modernization Act (MDUFMA), Animal Drug User Fee Act (ADUFA), Mammography Quality and Standards Act (MQSA), and Export Certification user fees. The User Fees Team is also responsible for implementing the new user fee system to administer user fee transactions and assist in the development of the financial reports required by Congress for PDUFA, MDUFA, and ADUFA.

FDA received its seventh consecutive unqualified, or clean, audit opinion on its financial statements from the DHHS Office of Inspector General in December 2004.

FDA jointly lead a financial shared services center study for HHS which will be used along with the information obtained from other OPDIVs to formulate DHHS policy on financial services.

Data clean-up and process improvement activities continued in multiple areas, including Open Documents, fund Balance with Treasury, SF-224, Accounts Receivable, Travel Advances, and Grants Reconciliation.

Financial Systems -- In FY 2004, FDA entered the development phase of UFMS. This involves evaluating the software to see if it meets FDA-specific needs, testing the new system and determining training requirements for users. The Agency will also continue data clean-up, collect management reporting requirements, and support the upgrade of the legacy systems.

In FY 2005, FDA will complete implementation of UFMS, replacing its old general ledger accounting system and continue planning for additional modules while continuing to support its current systems. FDA-specific projects are known as the Financial Enterprise Solutions (FES) that is comprised of a set of distinct and separate FDA financial systems that are integrated with HHS' UFMS. The following is a description of the UFMS and FES project activities:

UFMS

- Completed the business process flows that document the FDA approach to processing financial transactions through the system;
- Began the Data Conversion strategy discussions for FDA in preparation for the cutover on October 1, 2004 and April 2005;
- Began validating the FDA accounting transaction codes and associated pairs against the Treasury Standards to identify the gaps;
- Began participation in global interface teams for both global and FDA specific interfaces including: payroll, grants, procurement, travel and property;
- Worked on refining the plan for incorporation of Business Transformation Activities;
- Conducted the FDA Conference Room Pilot with FDA components to demonstrate that Oracle Financial software could meet FDA business needs and that FDA's implementation strategy will meet the UFMS global needs; and,
- Drafted plans for communication, and began reviewing strategies for organizational assessments and Agency-wide end user training.

FDA's share of the FY 2006 UFMS costs is $ 11.595 million, which excludes operations and maintenance costs.

FES

- Modernized financial management infrastructure for the remaining user fee programs (PDUFA, MDUFMA, MQSA, and export certification) based on the successful implementation of the Animal Drug User Fee Act. Accomplishments include:
    - Interfaced to obtain applicant data, track user fee billing and collection, and provide financial reports of user fee activities; and,
    - Modified the Accounts Receivable System by capturing initial user fee program receipts and transitioning these receipts to the Accounts Receivable module of the new financial system.
- Continued the implementation of the Purchase Request Information System (PRISM) by:
    - Working with FDA contracting staff to develop requirements for the contracts implementation of PRISM; and,
    - Begining planning the implementation of i-Procurement software that will automate the process of requisitions and interface with PRISM and UFMS. I-Procurement will begin implementation in April 2005 and continue through FY 2006.

- Travel Manager and 348 Sponsored Travel Module
    - Completed implementation of FDA Travel Manager for the entire Agency;
    - Completed (HHS-348) Sponsored Travel module roll-out;
    - Provided safeguards to insure complete review of documents, compliance with travel regulations and official approvals, including on-line signature capabilities; and,
    - Allowed users to assign and allocate cost differentials among sponsors, handle diverse travel reimbursement categories, certify and print associated documents, and electronically route documents and forms to correct destinations.

Accountability -- FDA has strong internal controls over financial reporting and management practices. Some examples include the following:

- Prepared monthly and quarterly reconciliations as required by the Department to ensure the balances reported in financial reports are accurate;
- Ensured that training, communications, completing critical reconciliations, and holding managers accountable for their assigned areas of responsibility.
- Included financial performance measures in the performance plans of all senior executives at FDA;
- Prepared and submitted FY 2004 Corrective Action Plan to DHHS; and,
- Prepared and released the MDUFMA and PDUFA reports on the management of both user fee funds.

The FY 2004 Conformance Statement determined that FDA's financial management systems were in general conformance to financial system requirements found in OMB Circular A-127. This determination was based on a review of previous audit findings, completed corrective actions, and the design and implementation of new financial management system that is intended to bring all of the Agency's financial systems into substantial compliance to Section 803(a) of the Federal Financial Management Improvement Act (FFMIA).

While the OIG determined in the financial statement audit that FDA's financial management systems do not substantially comply with FFMIA, this noncompliance should be removed once UFMS is fully operational. No instances exist in which FDA's financial management systems do not substantially comply with Federal accounting standards and the U.S Standard General Ledger at the transaction level.

Integrate Financial and Performance Management Systems -- The requirement to support the integration of performance and financial reporting that meet the specifications in OMB Circular A-11, Part 6 has been identified within UFMS. Currently, no method exists for reporting. A custom reporting solution in the Oracle Federal Financial software will be created to comply with this requirement.

In addition, the FDA's Annual Financial Report includes both cost information and performance results. Performance results come from select performance goals and measures chosen by FDA programs, while cost information is derived from the Statement of Net Costs. Combining these elements provides a picture of the program, its accomplishments and costs.

Expanded E-Government

IT Consolidation - FDA continued its progress towards the consolidation of its IT infrastructure by collaborating with DHHS towards achieving its "One HHS" goals and objectives; initiating efforts to accomplish the IT consolidation goals mandated by the reauthorization of PDUFA, and establishing an IT Shared Services organization to manage the FDA's consolidated IT infrastructure. To this end, FDA has:

- Launched the Office of Information Technology Shared Services (OITSS) – The goal of the FDA was to facilitate the goal of IT consolidation, enabling the Agency to deploy IT effectively and efficiently. This was achieved on October 1, 2003. The support of the ORA and NCTR completed by the end of FY 2004. This organization will facilitate management of FDA's IT resources, enabling the Agency to devote more time and effort to its E-Gov. efforts;

- Reorganized the Office of the Chief Information Officer (CIO) to ensure key strategic leadership in IT and improved capability for ensuring that IT strongly supports FDA mission goals and objectives;

- Transitioned all Center, OC and ORA formal IT organizations to directly report to the CIO;

- Awarded the Single Source Infrastructure Service Support Contract in August 2004 that will provide efficiencies and savings through consolidation of services and management of contractors;

- Completed its PDUFA III IT Strategic Plan which outlines long term strategies for meeting PDUFA goals and effecting consolidation;

- Instituted the PDUFA IT Governance process to more closely link PDUFA IT initiatives to satisfying PDUFA III IT goals;

- Made substantial progress in the area of standardization by implementing the Electronic Common Technical Document (eCTD) specification, releasing draft guidance, and deploying the eCTD Viewer system as a tool in reviewing the new application submitted in the eCTD format.

Enterprise Architecture – IT Projects –

- Developed "As Is" baseline architecture and initiated the Agency e-submission strategy by developing requirements and the appropriate target architecture;

- Produced, and initiated implementation of a Corrective Action Plan to effect mature project management practices throughout the Agency including establishment of a project management (PM) training program;

- Developed and implemented the FDA Unified Registration and Listing; in the short term, produced a Food Registration and Account Management Module that met the mandatory requirement for Food Facilities to begin registration on October 12, 2003 and; in the long term, will consolidate other FDA registration systems; and,

- Advanced the Capital Planning and Investment Control process as a result of the establishment of the Project Management Office, which has fostered project management training, and development of policies relating to the systems development life cycle and governance process; and the acquisition and institutionalization of a portfolio investment management tool.

Government E-Projects – FDA has made significant contributions to this effort by providing key IT and technical personnel to actively participate on each DHHS project team. This collaborative effort also extends to the Enterprise Human Resource Planning project and HHS Corporate University. Agency IT staff has also made contributions as part of the development of the HHS 5-Year IT Strategic Plan. The FDA has begun the development of an Enterprise Architecture (EA), having completed an "As Is" baseline. The EA efforts continue to be closely aligned with the DHHS EA Program.

FDA is continuing to contribute key IT and financial technical personnel in support of various Departmental projects. For example, FDA is participating with the Department, who is a managing partner, in the Federal Health Architecture initiative, which is a set of guiding technology and management principles that will impact the health industry by enabling innovation in care, reduced cost, and improved access and enhanced public health threat preparedness.

The Agency is involved in the Business Gateway E-Gov initiative by participating in design and implementation meetings and using the E-Forms Catalog to register FDA forms.

FDA assumed a leadership role in the Department for the Online Rulemaking Initiative – the formal launch of Phase I of www.regulations.gov was successfully held on January 23, 2003. Work has begun on structuring Module 2, and a team has been set up to provide continuing maintenance and web site change control.

The team is now involved in the Phase II requirements process. The team has a representative on the technical and the legal workgroups. The legal workgroup is currently identifying legal issues that will have to be resolved before moving to a central system. The technical

workgroup is working to define the technical blueprint/road map for the construction of the eRulemaking system.

In addition to these activities, FDA supported various Departmental initiatives such as:

Secure One HHS – The goal of Secure One is "to create an enterprise-wide secure and trusted IT environment in support of the overall HHS mission". FDA has supported this goal by establishing a comprehensive security program that:

- Contains security performance measures and metrics, regularly monitored by the FDA Chief Information Systems Security Officer;

- Characterizes and categorizes systems and resources to identify what is most critical and vulnerable, in order to develop reliable and appropriate security plans;

- Institutionalizes an Agency-wide training program impacting both system managers and the general user; and,

- Makes use of a well-coordinated communications effort to highlight security as the highest priority of the FDA CIO and inform all levels of the FDA workforce.

In FY 2004, FDA documented in formal reports (Privacy Impact Assessments, Plan of Actions and Milestones, and Certification and Accreditation) outcomes demonstrating FDA successfully and fully met the goals of the Secure One HHS Program.

Grants Consolidation – FDA is working with NIH staff regarding details of the migration to the eRA/IMPAC II Grants Management System. FDA has also participated in two DHHS subcommittees established to achieve efficiencies and uniform processes across the Department.

HHS enterprise-wide initiatives – Consolidation of like-services has been a linchpin of the "One HHS" strategy. FDA has provided expertise and resources, with special emphasis on the following projects:

- HHSnet – HHSnet is a department wide initiative to architect a comprehensive network design that encompasses all aspects of the HHS Enterprise Network including the build-out of the HHSnet Network Operation Center (HHS/NOC), while maintaining a strong security posture. The goals of the network redesign are to support intra-operational division communications, to ensure high performance and reliability of strategic systems. FDA assumed a leadership role in the effort, working closely with OPDIV and HHS counterparts, and meeting regularly with senior HHS leadership to discuss progress. FDA was the first OPDIV to transition to the new network, and then coordinated the deployment of other segments throughout HHS. FDA will relinquish control in October when the network is operational; and,

- Unified E-mail – Another consolidation strategy has been unifying e-mail systems across HHS

in order to take advantage of economies of scale and common standards. FDA has been a strong participant, having appointed a team responsible for managing FDA's responsibilities from design to rollout. The team is currently working to define FDA requirements and incorporating them into the final design.

Competitive Sourcing

FAIR Act Inventory --
In accordance with the Federal Activities Inventory Reform (FAIR) Act of 1998, FDA submitted its 2004 FAIR Act inventory, which identified 1,516 FTE as commercial and 9,044 FTE as inherently governmental. The development of the FY 2004 FAIR Act inventory began in March 2004.

Competition Schedule – In FY 2003, FDA completed all six scheduled studies involving 230 FTE in an average of 12 months or less meeting both the competitive sourcing standards for success.

Full cost comparison studies of graphic arts/visual information services, medical/scientific library services, and a television studio were done in FY 2003. The decision was to retain the functions in-house, with Most Efficient Organizations (MEOs) implemented in December 2003. Full cost comparison studies on General Accounting, Facilities, and Biological Physical Science Technicians were completed in FY 2003. These MEOs were implemented in March 2004.

FDA estimated total expected savings over a five year performance period for the six MEOs at $16.4 million with no involuntary separations. Coupled with the other administrative restructuring taken in FY 2003 and FY 2004, FDA met the Secretary's goal of administrative staff reduction set in FY 2005 and achieved significant savings that were redirected into mission critical activities. FDA formally began its study for clerical support services on February 26, 2004. This study encompasses 350 FTE and is currently in the source selection phase of the competition with a target completion date of February 25, 2005.

Participates in Department-wide Initiatives -- FDA is also renegotiating its Memorandum of Agreement with the National Treasury Employee's Union to reflect changes to OMB Circular A-76. FDA has also been instrumental in helping HHS formulate its competitive sourcing and green plans. In addition, FDA is working with HHS to develop criteria to define a high performing organization**.**

Budget and Performance Integration

The Office of Management and Budget specified criteria that DHHS had to show progress in order to achieve a passing score. Progress is shown in four areas: performance information in the DHHS FY 2006 budget request, development of the FY 2006 HHS Annual Performance Plan, use of PART information in Agency decision-making, and using reports integrating financial and performance information for agency deliberations.

FDA's FY 2005 Congressional Justification (CJ) integrated performance information throughout the budget

narrative and aligns program sections by FDA strategic goals. The CJ contained an efficiency goal and several outcome performance goals that were recommended in the first PART assessment, and explained how OMB's PART evaluation was used to guide resource and performance decision-making in creating the FY 2005 budget and performance request. The CJ also included full cost information for each performance goal.

Development of Annual Performance Plan / Report -- FDA has worked with the HHS Office of Budget staff to complete the final FY 2006 HHS Annual Performance Plan. Two of the 19 representative programs are from FDA. FDA provided accurate and timely performance and budget information on both of its represented programs. FDA has decreased the overall number of goals in the performance plan from 71 to 44 and also included new long-term outcome goals. In addition, the mix of goals has been refocused toward high-risk goals, particularly to guard against the terrorist threat.

In the FY 2006 budget period, the FDA budget request and performance plan are combined into one performance budget document. This document adds performance plan information along with the FY 2006 performance goals and its full cost information to the traditional budget program chapter. The remaining items contained in the former plan are part of the performance budget's appendices.

Use of Information From PART in the Integration Process -- Since FDA was fully assessed in FY 2005, the Agency did not have any programs to propose for FY 2006-2008.

FDA has responded to the OMB PART with a concerted effort led by our Commissioner and his leadership team. The result of that effort yielded FDA a moderately effective rating. OMB requested FDA to provide yearly updates to show progress on the development of new long-term outcome goals.

Accordingly, FDA developed eight new long-term outcome goals for the FY 2005 PART. In order to meet the strategic goals' performance commitments specified by the annual performance and outcome goals, Agency leadership also developed a Strategic Action Plan (issued in August 2003) which provided the framework for building the capacity and capability for meeting these commitments.

To monitor the Strategic Action Plan's objectives and GPRA performance commitments, FDA leadership established the Strategic Planning Council to ensure timely progress.

In January 2004, this council agreed to establish a performance framework that systematically linked an array of program activities, outputs, and outcomes to support and demonstrate progress in meeting the long-term outcome goals. This council has also charged that the Agency should prepare for the FY 2006 PART process with DHHS and OMB in order to improve the Agency's PART score and make performance and resource decisions for the upcoming budget cycle.

In addition, the budget and performance integration efforts of the past several years have more consciously linked resources with results. Under this new methodology, the traditional budget presentation is now coupled with performance information presenting a complete resource and performance picture. The presentation order in the FY 2006 performance budget is: base activities (justification), program activity data (PAD), and performance targets. The resource request funds base activities that in turn support the accomplishment of discrete workload outputs, PAD and performance goal targets, which contribute to the achievement of long-term public health outcomes and strategic goals.

Examination of Reports Integrating Financial and Performance Information - Through two of its senior Agency level decision-making bodies, the bi-weekly Strategic Planning Council and the Management Council, FDA uses integrated performance and resource information to review the progress of implementing long-term outcome performance goals, to prepare for the PART meetings with DHHS and OMB, and to make performance and resource decisions for the upcoming budget cycle.

FDA also developed a marginal cost methodology that will enable program managers to determine performance and cost impacts on various budget scenarios. This methodology was presented at the Strategic Planning Council for review and concurrence. The Animal, Drugs and Feeds Program is being used as the pilot to test this methodology.

Program Assessment Rating Tool (PART) Summary

Food and Drug Administration

FY 2004–2006

(Dollars in Millions)

FY 2004 PARTs**	FY 2004 Enacted	FY 2005 Appropriation	FY 2006 Request	Narrative Rating
FDA's Five Centers were evaluated: -- Center for Biologic Evaluation & Research -- Center for Devices & Radiological Health -- Center for Drug Evaluation & Research -- Center for Food Safety & Applied Nutrition -- Center for Veterinary Medicine				All received Results not Demonstrated

**No resources are shown because OMB decided in the FY 2005 PART process to evaluate FDA as a whole entity and not as separate components as in the FY 2004 PART.

FY 2005 PARTs	FY 2004 Enacted	FY 2005 Appropriation	FY 2006 Request	Narrative Rating
Food and Drug Administration	$1,800,541,000	$1,881,489,000	+$80,948,000	moderately effective
FY 2006 PARTs				
No PART was performed in FDA during the FY 2006 budget cycle.				

Narrative

For the FY 2005 PART, OMB decided to evaluate FDA as a single entity and not five programs. FDA senior leadership made a concerted effort to improve the PART score by developing outcome and efficiency goals, reducing the number of performance goals, and implementing management improvements. Based on these actions, OMB gave FDA a rating of moderately effective. Specifically, the FY 2005 PART assessment found:

- FDA has a clear mission and a unique Federal role in protecting public health;
- FDA is well managed, and a has strong and comprehensive strategic planning process;
- FDA's annual performance goals allow for measurement of performance results;
- FDA generally meets most annual performance goals;
- Financial management at FDA is sound; FDA has received a clean audit free of internal material control weaknesses for five consecutive years; and
- FDA is improving collaborative efforts with stakeholders and other Federal agencies.

FDA's senior leadership used integrated performance and financial reports to deliberate and decide on the Agency's approach to preparing FDA's Performance Budget submission. These reports enabled senior managers to understand the FY 2004 funding environment, the projected budget environment in FY 2005, and the cumulative impact of these conditions on the FY 2006 performance budget submission. This information also enabled FDA senior leadership to examine the performance impact under various budget scenarios. The FY 2006 Performance Budget reflects the deliberations of this group, based in large part on the information contained in integrated financial and performance reports.

NOTE: The OMB PART Summary Rating, which follows this summary narrative, contains a correction in the "Actual" column of the Long-term efficiency measure. This number, 2,766, is the correct number. In the FY 2006 President's Budget, this document contains the error.

Program: *Food and Drug Administration*

Agency: *Department of Health and Human Services*

Bureau: *Food and Drug Administration*

Rating: *Moderately Effective*

Program Type: *Regulatory Based*

Last Assessed: *1 year ago*

Key Performance Measures from Latest PART	*Year*	*Target*	*Actual*
Long-term Efficiency Measure: Reduce administrative staff	2004	2,855	2,766
	2005	2,623	
	2008	2,623	
Annual Measure: Percentage of new drugs and biologic product reviews completed within 10 months.	2004	90%	
	2005	90%	
	2006	90%	
Long-term Measure: Percentage of medical device submissions that will receive final decisions within 320 review days.	2001		72%
	2005	70%	
	2006	80%	
	2007	90%	

Recommended Follow-up Actions	*Status*
Is requesting additional food defense resources to support the achievement of FDA's lab surge capacity targets.	Action taken, but not completed
Will track FDA performance on new long-term outcome goals.	Action taken, but not completed

Update on Follow-up Actions:

FDA has started efforts to measure performance on long-term outcome goals developed for the FY 2005 PART. For some of these long-term outcome goals, the agency is developing baseline data needed to measure performance improvements. For others, the agency is focusing efforts on improvements in performance and management practices.

Program Funding Level (in millions of dollars)

2004 Actual	2005 Estimate	2006 Estimate
1,695	1,801	1,881

APPROPRIATIONS LANGUAGE

TITLE VI
RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION
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; 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; and notwithstanding section 521 of Public Law 107–188; [$1,820,849,000] *$1,881,489,000, of which $7,000,000 shall remain available until expended for plans, construction, extension, alteration, and purchase of fixed equipment or facilities*: Provided, That of the amount provided under this heading, [$284,394,000] *$305,332,000* shall be derived from prescription drug user fees authorized by 21 U.S.C. 379h, [and] shall be credited to this account and remain available until expended, Provided, That this amount shall not include any fees pursuant to 21 U.S.C. 379h(a)(2) and (a)(3) assessed for fiscal year [2006] *2007* but collected in fiscal year [2005] *2006*; [$33,938,000] *$40,300,000* shall be derived from medical device user fees authorized by 21 U.S.C. 379j, and shall be credited to this account and remain available until expended; and [$8,000,000] *$11,318,000* shall be derived from animal drug user fees authorized by 21 U.S.C. 379j, and shall be credited to this account and remain available until expended: Provided further, That fees derived from prescription drug, medical device, and animal drug assessments received during fiscal year [2005] *2006*, including any such fees assessed prior to the current fiscal year but credited during the current year, shall be subject to the fiscal year [2005] *2006* limitation: Provided further, That none of these 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) $439,038,000 shall be for the Center for Food Safety and Applied Nutrition and related field activities in the Office of Regulatory Affairs; (2) $498,647,000 shall be for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs; (3) $172,714,000 shall be for the Center for Biologics Evaluation and Research and for related field activities in the Office of Regulatory Affairs; (4) $98,964,000 shall be for the Center for Veterinary Medicine and for related field activities in the Office of Regulatory Affairs; (5) $235,078,000 shall be for the Center for Devices and Radiological Health and for related field activities in the Office of Regulatory Affairs; (6) $40,530,000 shall be for the National Center for Toxicological Research; (7) $57,722,000 shall be for Rent and Related activities, other than the amounts paid to the General Services Administration for rent; (8) $129,815,000 shall be for payments to the General Services Administration for rent; and (9) $115,970,000 shall be for other activities, including the Office of the Commissioner; the Office of Management; the Office of External Relations; the Office of Policy and Planning; and central services for these offices:]

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

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

The FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation. The FDA is also responsible for advancing the public health by helping to speed innovations that make medicines and foods more effective, safer, and more affordable; and helping the public get the accurate, science-based information they need to use medicines and foods to improve their health.

The budget provides a [$108.78] *$49,628,000* increase in budget authority over the FY [2004 Omnibus Appropriation Act] *2005 Enacted Budget*. In addition, the Budget includes an increase of [$39.85] *$31,320,000* in current law user fees over FY [2004] *2005*, which will be used to cover *non pay related* inflationary increases [as well as increases in workload for the PDUFA, MDUFMA, and ADUFA programs]. In total, the budget includes [$1.821] *$1,881,489,000* at the program level, which includes funding for counter terrorism activities that specifically relate to the protection of products or therapies regulated by the FDA (such as drugs, vaccines, foods, and animal feed), and the availability of medical products for public health preparedness in the event of an attack. Specifically, the budget requests increased funding for food defense, *medical device review, the Office of Drug Safety, GSA Rent payments, moving expenses the CDRH Engineering and Physics lab and the shared data facility at the White Oak campus, and maintenance of building and facilities.*[medical counter measures related to terrorism or other related threats to pubic health, medical device reviews, protecting the safety of the U.S. food and feed supply from Bovine Spongiform Encephalopathy (BSE), inflationary pay increases], and moving expenses for a new Human Drugs facility in White Oak, Maryland].

Salaries and Expenses - Explanatory Notes

1/ Language is retained which provides FDA with the authority to credit to this account fees that may have been collected in excess of amounts appropriated in a previous year, if any such excess collections occurred. This is the intent of section 736(g)(4) of the Food Drug and Cosmetic Act, and it exempts FDA from making small individual refunds of unanticipated excess collections. Excess fees from previous years, if any, would be used to reduce the amount of fees FDA would collect in a subsequent year--in effect lowering the fees that FDA would otherwise assess and collect. This is intended to make appropriation language consistent with authorizing language.
2/ Important language is added that enables FDA to collect user fees for drug establishments and products, as set forth in the Prescription Drug User Fee Act (PDUFA), but that such fees collected during fiscal year [2005] *2006* year and assessed for fiscal year [2006] *2007*, not count against the FY [2005] 2006 collection ceiling established in the FY [2005] *2006* appropriation law.

Food and Drug Administration
Fact Sheet – Alabama

FDA Presence: 7 employees in Alabama
Resident Posts: Birmingham, Mobile, and Montgomery
- report to: New Orleans District who
- reports to: Southeast Region, Atlanta, Georgia

Industry Presence in State
There are 1,531 FDA-regulated establishments in the State of Alabama
- Food establishments (includes cosmetics) – 38 percent
- Medical Device and radiological establishments – 31 percent
- Human Drug establishments – 20 percent
- Animal drug and feed establishments – 6 percent
- Biological establishments (includes blood banks) – 5 percent

Industry Highlights
- Three ports of entry – Mobile, Huntsville, Birmingham. Mobile is a large port for exportation of grain products and moderate importation of various food and seafood products.
- Along the Gulf Coast - concentration of the seafood industry.
- Catfish aquaculture
- Medicated feed mills for the poultry industry.
- There is considerable medical device presence, as well as a wide range of clinical research activity through medical university settings.
- Biologics presence is in the form of regional blood testing facilities.

Contracts & Partnerships
State Contracts
Alabama Department of Public Health
- Conduct inspections of food manufacturers for sanitation.

Alabama Department of Public Health
- Conduct inspections of mammography facilities.

Alabama Department of Agriculture and Industries
- Conduct BSE inspections

State Partnerships
Alabama Department of Public Health
- Establish a partnership for the regulation of new x-ray assemblies or reassemblies

Special Programs
Functioning Food Safety Task Force which includes AL Department of Public Health, AL Department of Agriculture, Auburn Cooperative Extension Service, AL Restaurant Association, Winn Dixie (grocer representative).

Food and Drug Administration
Fact Sheet – Alaska

FDA Presence: 2 FDA employees in Alaska
Resident Post: Anchorage
reports to: Seattle District: Bothell, Washington, Charles Breen, DD
reports to: Pacific Region: Oakland, California, Brenda Holman, RFDD

Industry Presence in State
There are 477 FDA-regulated establishments in the State of Alaska
Food establishments (includes cosmetics) –80 percent
Medical device and Radiological establishments – 12 percent
Human drug establishments – 3 percent
Biologic establishments (includes blood banks) – 3 percent
Animal drug and feed establishments – 2 percent

Industry Highlights
- Alaska supplies most of America's salmon, crab, halibut, and herring. Alaska is the number one producer of wild salmon in the world and has the only salmon industry certified as "sustainable".
- Alaska ranks as one of the top ten seafood producers worldwide. More than 6 million pounds of seafood are harvested off Alaska each year, making up approximately 60% of all U.S. production. The total value of Alaska seafood production has topped $2.5 billion annually for several years.
- Dutch Harbor and Kodiak consistently rank as two of the top three ports in the U.S. for tonnage of seafood brought in. Alaska has over 33,000 miles of shoreline -- more than the rest of the U. S. combined.

Contracts, Partnerships & Local Activities
State contracts
Alaska Department Environment and Conservation
- Conduct food safety inspections.

Alaska Department of Health
- Conduct inspections of mammography facilities.

State Partnerships
Alaska Department of Environmental Conservation
- Conduct inspections of the fish and fishery products processing industry for compliance with the Hazard Analysis and Critical Control Points (HACCP) regulations.
- Conduct mutual planning and sharing of reports for inspections, investigations, and analytical findings, related to food firms in the State of Alaska.

Food and Drug Administration
Fact Sheet – Arizona

FDA Presence: 27 employees in Arizona
Resident Posts: Phoenix, Tucson, and Douglas
report to: Los Angeles District, Irvine, California, who
reports to: Pacific Region, Oakland, California
Resident Posts (imports): Nogales and San Luis report to:
Southwest Import District, Dallas, Texas, who
reports to Southwest Region, Dallas, Texas

Industry Presence in State

There are 1,816 FDA-regulated establishments in the State of Arizona
Food establishments (includes cosmetics) – 37 percent
Medical Device and Radiological establishments – 36 percent
Human Drug establishments – 17 percent
Biological establishments (includes blood banks) – 4 percent
Animal drug and feed establishments – 6 percent

Industry Highlights

- The Arizona Department of Agriculture and FDA are in the process of formalizing a cooperative agreement on training and technical assistance between the two agencies and Mexico with regard to Good Manufacturing Practices and Good Agricultural Practices.
- There are 5 firms in Arizona that produce human biological products including 6 plasmapheresis centers and 4 American Red Cross facilities.
- There are more than 10 manufacturers of vitamin and mineral Over-the-Counter products.
- Steris, a drug manufacturer in Arizona, is under an injunction.
- Imports into Arizona: The Southwest Import District receives approximately **363,535** line entries per year. The primary products are: Fresh Produce, Frozen Shrimp, and Medical Devices.

Contracts and Partnerships

State Contracts

Arizona Radiation Regulatory Agency
- Conduct inspections of mammography facilities.

Arizona Department of Agriculture
- Conduct inspections of feed mills for medicated feeds and BSE.

State Partnerships

Arizona Department of Agriculture
- Agree to establish working arrangements concerning their mutual planning and share reports of inspection, investigations, and analytical findings relating to raw agricultural products

Arizona Department of Health Services
- Coordinate retail food protection efforts & promote Hazard Analysis and Critical Control Points (HACCP) principles to control food safety hazards at the retail level.

Food and Drug Administration
Fact Sheet - Arkansas

FDA Presence: 71 field and 249 research center employees in Arkansas
Resident Post in Arkansas: Little Rock (2 investigators)
reports to: Dallas District, Dallas, Texas, who
reports to: Southwest Region, Dallas, Texas
Arkansas Regional Laboratory: Jefferson (69)
reports to: Southwest Region, Dallas, Texas
National Center for Toxicological Research (NCTR), Jefferson (249)
Import entries are handled out of the Dallas Southwest Import District Office and through the Dallas District Staff located in Arkansas

Industry Presence in State
There are 1,371 FDA-regulated establishments in the State of Arkansas.
Food establishments (includes cosmetics) - 60 percent
Animal drug and feed establishments - 16 percent
Medical device and Radiological establishments - 13 percent
Human drug establishments -10 percent
Biologic establishments (includes blood banks) -2 percent

Industry Highlights
- Eggs - Arkansas is a major egg production state.
- Poultry - Arkansas is the home of Tyson poultry productions
- Canning - Arkansas is the home of Allen's, Gerber and Bush canning manufacturers
- Grains - Arkansas includes a significant rice, wheat, and soybean production.
- Farming - Arkansas includes productive animal feed production and catfish farming.

The Southwest Import District receives approximately 1,365 line entries per year.

Contracts, Partnerships & Local Activities
State Contracts
Arkansas Department of Health
- Conduct food sanitation inspections.
- Conduct inspections of mammography facilities.

Arkansas State Plant Board
- Conduct feed mill inspections; determines compliance with BSE Rule.

State Partnerships
Arkansas Department of Health
- Establish a partnership with the Arkansas Department of Health to share oversight & authority of regulated dairy manufacturing facilities.
- Has an agreement with the Jefferson Labs (NCTR) for emergency space and also shares in an informal reciprocal agreement with ARL for the FERN.

Local Activities FERN
NCTR, a FDA research center, employs 249 government scientists and approx. 300 contract support personnel who conduct fundamental, translational research that results in developing, modifying or validating FDA regulatory standards. Current work includes studies to assess the phototoxicity of cosmetic ingredients; studies to develop methods/standards for food safety, antibiotic resistance and counter-terrorism agents, and evaluating and incorporating new technologies to aid in understanding the risk associated with FDA regulated products.

Dallas District Public Affairs Specialists respond to consumers and media inquires and conduct consumer education outreach to diverse constituents.

Food and Drug Administration
Fact Sheet – California

FDA Presence: 484 FDA employees in California
Resident Posts: Fresno, Sacramento, San Jose, and Stockton.
report to: San Francisco District, Alameda, who
reports to: Pacific Region, Oakland
Resident Posts: San Diego, Santa Barbara, San Pedro, LAX, Ontario and Canoga Park
report to: Los Angeles District, Irvine, who
reports to: Pacific Region, Oakland
Pacific Region Laboratory Southwest, Irvine, who
reports to: Pacific Region, Oakland
Southwest Import District Resident Posts: Otay Mesa, Calexico, San Diego Seaport/Airport, and Tecate
report to: Southwest Import District, Dallas, Texas who
reports to: Southwest Region, Dallas, Texas

Industry Presence in State
There are 15,969 FDA-regulated establishments in the State of California
Food establishments (includes cosmetics) - 45 percent
Medical device and Radiological establishments - 38 percent
Human drug establishments - 10 percent
Animal drug and feed establishments - 5 percent
Biologic establishments (includes blood banks) - 2 percent

Industry Highlights
- California has the greatest number of medical device and biotechnology firms of any area in the United States. They are concentrated in the San Francisco Bay Area, Orange County and San Diego areas.
- California is a major producer of tree nuts and the only state that produces almonds.
- California receives an estimated 25% - 30% of all FDA regulated commodities imported into the United States, and contains the largest harbor complex in the country. Additionally, with the international cargo from Los Angeles International Airport, courier hubs at regional airports, and the International mail processing facility for all of Southern California the district serves as the "Gateway to the Orient" for imports and exports and with the import operations along the U.S. Mexico border, a significant "Gateway to Mexico." A total of 70% of all incoming cargo is believed to stay within the state boundaries.

Contracts & Partnerships
<u>State contracts</u>
California Department of Food & Agriculture (DFA)

- Conduct follow up investigations of reported tissue residues of food animals detected at the time of slaughter.
- Conduct inspections of feed mills and BSE.

California Department of Health Services (DHS)

- Conduct inspections of mammography facilities and x-ray testing

State Partnerships

California Department of Food & Agriculture (DFA)

- Coordinate efforts to prevent unsafe imported dairy products from entering commerce.
- Coordinate inspections of medicated feed mills and residue investigations.
- Coordinate regulatory activities involving pesticide residues on raw agricultural commodities.

California Department of Health Services (DHS)

- Coordinate retail food protection efforts to promote HACCP principles for food safety
- Conduct inspections of all Acidified & Low Acid Canned Food processors.
- Conduct inspections of seafood processing facilities.
- Continue partnership with the laboratory in Los Angeles to co-locating employees and sharing equipment.
- Establish partnership to co-locate employees in Sacramento.
- Conduct inspections of new x-ray assemblies or re-assemblies.
- Share inspectional and other information to ensure unified food safety programs.

DHS & DFA

- Coordinate cooperative agreement to support the California Egg Quality Assurance Plan.

Other Partnerships in California

- Coordinate with American Council for Food Safety & Quality to maintain sanitation and compliance with regulations for dried fruit and tree nut products.
- Information sharing with the University of California, Irvine, through an electronic communication system that transmits current health information regarding toxic substances throughout the California County Health Departments.

Food and Drug Administration
Fact Sheet - Colorado

FDA Presence: 109 FDA employees in Colorado
Denver District, Denver who
reports to: Southwest Region, Dallas, Texas

Industry Presence in State
There are 1,948 FDA-regulated establishments in the State of Colorado
Food establishments (includes cosmetics) - 40 percent
Medical device and Radiological establishments - 30 percent
Human drug establishments – 17 percent
Animal drug and feed establishments - 10 percent
Biologic establishments (includes blood banks) - 3 percent

Industry Highlights
- Colorado is a major cattle producer and also raises large numbers of hogs and sheep. Weld, Morgan, Larimer, and Boulder counties are the national center for the production of cattle fattened in feedlots rather than on the open range.
- Colorado ranks high among the U.S. states in the amount of land under irrigation. Corn (maize), wheat, and hay are the major crops.
- Colorado has a major food and food product industry.

Contracts & Partnerships
State Contracts
Colorado Department of Health
- Conduct food sanitation inspections.
- Conduct inspections of mammography facilities
- Conduct inspections of medical device manufacturers.

Colorado Department of Agriculture
- Conduct inspections of feed mills for medicated feed and BSE Rule Compliance

State Partnerships
Colorado Department of Health & Environment
- Conduct inspections of artificial tanning facilities
- Conduct federal compliance testing of new assemblies or re-assemblies of x-ray equipment

Food and Drug Administration
Fact Sheet – Connecticut

FDA Presence: 14 FDA employees in Connecticut
Resident Posts: Hartford and Bridgeport
report to: New England District, Stoneham, Massachusetts who
reports to: Northeast Region, Jamaica, New York

Industry Presence in State

There are 1,702 FDA-regulated establishments in the State of Connecticut.
Medical Device and Radiological establishments - 46 percent
Food establishments (includes cosmetics) - 33 percent
Human Drug establishments - 17 percent
Biological establishments (includes blood banks) - 3 percent
Animal Drug and Feed establishments - 1 percent

Industry Highlights

- Connecticut has 20% of the District's Official Establishment Inventory of regulated firms with an emphasis on food and medical devices. New England District includes Maine, Massachusetts, Rhode Island, Vermont, New Hampshire, and Connecticut.
- Several major pharmaceutical manufacturers are located in the state.

Contracts, Partnerships & Local Activities

State Contracts
Connecticut Department of Consumer Protection
- Conduct food sanitation inspections
- Conduct seafood Hazard Analysis and Critical Control Point (HACCP) inspections

Connecticut Department of Environmental Protection
- Conduct inspections of mammography facilities

Local Activities
Connecticut has a Food Safety Task Force in which FDA is a participant.

Food and Drug Administration
Fact Sheet – Delaware

FDA Presence: 9 FDA employees in Delaware
Resident Post: Wilmington
reports to: Philadelphia District, Pennsylvania, who
reports to: Central Region: Philadelphia, Pennsylvania

Industry Presence in State
There are approximately 233 FDA-regulated establishments in the State of Delaware

Food establishments (includes cosmetics) - 35 percent
Medical device and radiological establishments – 32 percent
Human drug establishments - 20 percent
Animal drug and feed establishments - 9 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights
- Active seafood industry

Contracts, Partnerships & Local Activities
State contracts
Delaware Department of Health
- Conduct inspections of mammography facilities.

Partnerships
- Participate in the Delaware Food Safety Council (DFSC), a partnership with the state and local government, academia, industry and USDA to address food safety issues.
- DFSC has a yearly seminar for the retail food industry supported, in part, by a Food Safety Grant from FDA. In 2003 the seminar was held in Dover, DE and approximately 125 persons, mainly from food service establishments throughout the state attended. The focus of 2003 meeting was on food security issues and in communicating proper food handling techniques. While no meeting was held in 2004, the 2005 meeting is currently being planned.

Food and Drug Administration
Fact Sheet – Florida

FDA Presence: 109 employees in Florida
Resident Posts: Boca Raton, Ft. Myers, Jacksonville, Miami Import Operations, Miami Domestic Operations, Tallahassee, Tampa
Major Import ports: Miami, Jacksonville, and Tampa
report to: Florida District Office, Maitland, FL
reports to: Southeast Region, Atlanta, Georgia

Industry Presence in Florida

There are 7,709 FDA-regulated establishments in the State of Florida
Food establishments (includes cosmetics) – 40 percent
Medical devices and Radiological establishments – 37 percent
Human drug establishments – 18 percent
Biologics establishments – 3 percent
Animal drug and feed establishments – 2 percent

Industry Highlights

- 370 high risk food firms of which 219 are high risk seafood firms
- Miami is second largest port in US for importation of fresh seafood
- Miami is fifth largest port in US for importation of FDA regulated commodities
- Over 350 class II & III medical device firms

Contracts, Partnerships & Local Activities

State Contracts/Memoranda of Understanding:

Florida Department of Agriculture and Consumer Services

- Conduct feed mills/BSE, food sanitation and seafood HAACP inspections.

Florida Department of Health

- Conduct inspection of mammography facilities

State Partnerships:

Florida Department of Agriculture & Consumer Services:

- Coordinate efforts to collect and analyze imported and domestic food for pesticide residues.
- Coordinate the regulation of imported and domestic fish and fishery products

Florida Department of Health:

- Conduct inspections of new x-ray assemblies and re-assemblies

Local Activities

- Food safety education initiatives with various target audiences including low-income, limited English, elderly, academia, health professionals and industry
- Seminole County Healthy Kids Partnership promotes positive opportunities for school aged children in Seminole County to learn healthy nutrition and the value of increased daily physical activity.
- Close alliance with U.S. Customs making Florida District's highly successful import operation a trendsetter in the areas of enforcement and customer service

Food and Drug Administration
Fact Sheet – Georgia

FDA Presence: 243 FDA employees in Georgia
Resident Posts in Georgia: Middle Georgia, Savannah, and Tifton
report to: Atlanta District, Atlanta, who
reports to: Southeast Region, Atlanta
Southeast Regional Laboratory, Atlanta
reports to: Southeast Region, Atlanta

Industry Presence in State
There are 2,899 FDA-regulated establishments in the State of Georgia
Food establishments (includes cosmetics) – 47 percent
Medical Device and Radiological establishments – 31 percent
Human Drug establishments – 15 percent
Animal Drug and Feed establishments – 4 percent
Biologic establishments (includes blood banks) – 3 percent

Industry Highlights
- American Red Cross Regional Blood Bank.
- Serologicals Corporation HQ (major plasmapheresis center).
- Cryolife (largest/major tissue bank processor).
- Atlanta Hartsfield-Jackson International Airport landport—60,000+ import entries per annum (condoms, gloves, seafood, produce, and medical devices). Savannah seaport—15,000+ import entries per annum (canned foods, medical devices, bulk grains, agricultural products, and juices). Brunswick seaport—less than 25 entries per annum (90% seafood).

Contracts, Partnerships & Local Activities
State Contracts
Georgia Department of Agriculture
- Conduct inspections for food sanitation, feed mills, and BSE

Georgia Department of Natural Resources
- Conduct inspections of mammography facilities.

State Partnerships
Georgia Department of Agriculture
- Conduct inspections of fish and fishery product processors under HACCP.

Other Partnerships
- Plan training activities to promote health and scientific education with Morris Brown College.
- Conduct educational activities to promote health and dispense information on disease prevention with Spelman College.

Local Activities
- Assist state laboratories with analytical issues.
- FDA ACNA Lab (National nutrition analysis/labeling service lab)
- Microbiology and Chemistry labs for foods, drugs, and cosmetics.
- Georgia Food Safety Task Force

Food and Drug Administration
Fact Sheet – Hawaii

FDA Presence: 9 FDA employees in Hawaii
Resident Post: Honolulu
reports to: San Francisco District, Alameda, California, who
reports to: Pacific Region, Oakland, California

Industry Presence in State
There are 528 FDA-regulated establishments in the State of Hawaii
Food establishments (includes cosmetics) - 64 percent
Medical device and radiological establishments - 27 percent
Human drug establishments - 6 percent
Biologic establishments (includes blood banks) - 2 percent
Animal drug and feed establishments -1 percent

Industry Highlights
- Seafood, domestic and imports, is the largest industry on the Islands
- Importation of goods to Hawaii and through Hawaii to the mainland accounts for 1/3 of FDA resources covering the review, inspection and sampling of products primarily from Asia.

Contracts, Partnerships & Local Activities
State contracts
Hawaii Department of Health
- Conduct inspections of mammography facilities.
- Conduct diagnostic x-ray field tests.

State Partnerships
Hawaii Department of Health
- Conduct inspections of new x-ray assemblies or re-assemblies.
- .Support for a Food Safety Task Force for food safety.

Hawaii Department of Agriculture & Department of Health
- Support the Egg Quality Assurance Plan as an integrated voluntary animal production food safety program designed to ensure the highest quality and safety of eggs (with USDA, University of Hawaii and industry).

Local Activities
Ongoing public affairs cooperation with the
- University of Hawaii,
- Hawaii Cooperative Extension Service,
- Hawaii Dietetic Association,
- Hawaii Section/Institute of Food Technologists, and
- Hawaii Department of Health.

Food and Drug Administration
Fact Sheet - Idaho

FDA Presence: 6 FDA employees in Idaho
Resident Post: Boise, Eastport
report to: Seattle District, Bothell, Washington, Charles Breen, DD
reports to: Pacific Region, Oakland, California, Brenda Holman, RFDD

Industry Presence in State
There are 842 FDA-regulated establishments in the State of Idaho
Food establishments -(includes cosmetics) - 64 percent
Medical device and Radiological establishments -14 percent
Animal drug and feed establishments - 11 percent
Human drug establishments - 10 percent
Biologic establishments (includes blood banks) - 1 percent

Industry Highlights
- Idaho is number one in the nation in the production of potatoes, trout and winter peas. Produces 30% of U.S. potatoes, 50% of processed potatoes and 76 % of food size trout. The state ranks in the top 10 in 22 other agricultural products.
- Out of 144 commodities, Idaho is in the top 10 in more than 30
- Food processing is the second largest industry, next to high tech. Idaho's high-tech industry is one of the state's largest employers
- The dairy industry is the largest single agricultural industry

Contracts, Partnerships & Local Activities
State Contracts
Idaho Department of Health and Welfare
- Conduct food safety inspections.
- Conduct inspections of mammography facilities.

Idaho Department of Agriculture
- Conduct BSE inspections.

State Partnerships
Idaho Department of Health and Welfare
- Establish working arrangements for food safety and sanitation inspections of food firms
- Inspect new x-ray assemblies or re-assemblies.

Idaho Department of Agriculture
- Establish a cooperative program for animal feed with respect to safety & control of BSE

Local Activities
- Regular interaction with the Idaho Department of Agriculture Marketing Division to conduct workshops on food labeling for small start-up food companies.
- Close working relationship with Idaho Gift Institute, to educate small food producers about regulatory requirements.

Food and Drug Administration
Fact Sheet – Illinois

FDA Presence: 67 FDA employees in Illinois
Resident Posts: Mt. Vernon, Gurnee, Peoria, Hinsdale, Springfield, and O'Hare
report to: Chicago District, Chicago, Illinois
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State
There are 5,668 FDA-regulated establishments in the State of Illinois
Food establishments (includes cosmetics) - 44 percent
Medical device and Radiological establishments - 36 percent
Human drug establishments - 12 percent
Animal drug and feed establishments - 5 percent
Biologic establishments (includes blood banks) - 3 percent

Industry Highlights
- Pharmaceuticals – Home to several multi-national manufacturers
- In-vitro diagnostics – Largest manufacturer in the world
- Pumpkins – Nation's only pumpkin cannery
- Candy – Concentration of large manufacturers.
- Significant import operations with a cross-section of FDA regulated commodities.

Contracts, Partnerships & Local Activities
State Contracts
Illinois Department of Agriculture
- Conduct inspections of feed mills to ensure safety and BSE control

Illinois Department of Public Health
- Conduct food safety inspections.

State Partnerships
Illinois Department of Public Health
- Conduct inspections of low acid canned food and acidified food establishments and seafood under the Hazard Analysis and Critical Control Point (HACCP) requirements.
- Collect samples to test foods for contaminants including microbiology and pesticides.
- Conduct joint Seafood HACCP training

Local Activities
- Cooperative program with the City of Chicago Department of Health, the Illinois Department of Public Health, and USDA to test foods supplied to the Chicago Public School lunch program.
- Cooperative program with the City of Chicago Department of Health regarding testing for lead in imported foods.

Food and Drug Administration
Fact Sheet – Indiana

FDA Presence: 20 employees in Indiana

Resident Posts: Indianapolis, Evansville, Fort Wayne, and South Bend
who report to: Detroit District, Detroit, MI
who report to: Central Region, Philadelphia, PA

Industry Presence in State

There are 2,211 active FDA-regulated establishments in the State of Indiana

- Food establishments (includes cosmetics) – 42 percent
- Medical Device and Radiological establishments – 28 percent
- Animal drug and feed establishments – 13 percent
- Human Drug establishments (includes Medical Gas) – 13 percent
- Biological establishments (includes blood banks) – 4 percent

Industry Highlights

- Major drug manufacturers include Eli Lilly, Bristol Myers Squibb, Pfizer.
- Home to three of the world's largest orthopedic implant makers (Zimmer, Biomet, and DePuy), and major diagnostics manufacturer, Roche Diagnostics.
- Very active Medical Device Industry Association known as the Indiana Medical Device Manufacturers Council (IMDMC). Played a major role in implementation of FDA Modernization Act (FDAMA) and medical device inspection initiatives.
- Infant formula manufacturer Bristol Myers Squibb
- Federal Express Hub in Indianapolis

Contracts and Partnerships

Contracts

Indiana Board of Health:

- Conduct inspections of mammography facilities.

Purdue University

- Conduct medicated feed mill and BSE inspections.

Partnerships

Indiana Department of Health:

- Coordinate inspection plan to increase consumer safety by coordinating inspectional information of non-retail food establishments.

Indiana State Board of Animal Health

- Share information on tissue residues in food producing animals

Food and Drug Administration
Fact Sheet – Iowa

FDA Presence: 6 FDA employees in Iowa
Resident Posts: Sioux City (1), Davenport (1), and Des Moines (4)
report to: Kansas City District, Lenexa, Kansas
reports to: Southwest Region, Dallas, Texas

Industry Presence in State
There are 1,629 FDA-regulated establishments in the State of Iowa
Food establishments (includes cosmetics) - 45 percent
Animal drug and feed establishments - 30 percent
Medical device and radiological establishments - 16 percent
Human drug establishments - 9 percent
Biologic establishments (includes blood banks) - 1 percent

Industry Highlights
- Diverse, with all major FDA program areas represented.
- In-vitro diagnostic establishments: Iowa has a heavy concentration of these.
- Bio-research: One of the few bio-equivalency-testing facilities in the country.
- State reports 1800 biotech firms and rand 1st in number of acres producing biotech corn and soybeans

Contracts, Partnerships & Local Activities

State Contracts
Iowa Department of Agriculture and Land Stewardship
- Conduct inspections of medicated feed mills to ensure safety and BSE control

Iowa Department of Inspections and Appeals
- Conduct food safety inspections

State Partnerships
Iowa Department of Agriculture and Land Stewardship
- Sample products for presence of aflatoxin or vomitoxin.
- Coordinate oversight of regulated dairy manufacturing facilities.

Iowa Department of Inspections and Appeals
- Food Safety Inspections

Iowa Department of Public Health
- Conduct inspections of new or reassembled x-ray equipment.

Local Activities
- IA, KS, NE, and MO have agreed to participate in a partnership to conduct program evaluations according to FDA's *Recommended National Retail Food Regulatory Program Standard #9*. Iowa is the lead state in this partnership. FDA has provided a grant to fund the program.

Food and Drug Administration
Fact Sheet – Kansas

FDA Presence: 123 FDA employees in Kansas
Resident Posts: Wichita (2)
reports to: Kansas City District, Lenexa, Kansas
report to: Southwest Region, Dallas, Texas
Regional staff: Lenexa (7)
Report to: Southwest Region, Dallas Texas

Industry Presence in State
There are 1,941 FDA-regulated establishments in the State of Kansas
Food establishments (includes cosmetics) - 54 percent
Animal drug and feed establishments - 01 percent
Medical device and radiological establishments - 18 percent
Human drug establishments - 8 percent
Biologic establishments (includes blood banks) - 2 percent

Industry Highlights
- Agriculture-based economy
  - Top producer of wheat, sorghum, corn, and sunflowers
  - Produced 6.6 million head of cattle in the year 2000
  - Significant animal feed industry
- The 2004 Legislature passed the Kansas Economic Growth Act, creating the Kansas Bioscience Authority. The Authority will invest an estimated $500 million in the development of the state's bioscience industry.

Contracts and Partnerships

State contracts (*)
Kansas Department of Agriculture
- Conduct inspections of medicated animal feed mills to ensure safety and BSE control.
- Conduct food safety inspections

Kansas Department of Health and the Environment
- Conduct mammography facility inspections

State Partnerships (*)
Kansas Department of Agriculture
- Share responsibility for regulating dairy manufacturing facilities.

Kansas Department of Health & Environment
- Conduct inspections of x-ray assemblies and reassemblies.

Local Activities
The District is informally partnering with KDA to share results from the state's BSE inspections.

Food and Drug Administration
Fact Sheet – Kentucky

FDA Presence: 5 FDA employees in Kentucky
Resident Post: Louisville
report to: Cincinnati District, Cincinnati, Ohio who
reports to: Central Region: Philadelphia, Pennsylvania

Industry Presence in State
There are 1,384 FDA-regulated establishments in the State of Kentucky
Food establishments (includes cosmetics) - 39 percent
Medical device and Radiological establishments - 26 percent
Animal drug and feed establishments - 17 percent
Human drug establishments - 14 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights
- Agriculture - Kentucky is the home of a significant agricultural base including dairy and food processing plants.
- Medical device - Kentucky includes medical device and in-vitro diagnostic manufacturers.
- Biologic - Kentucky is the home of blood and plasma firms, clinical research and bioresearch facilities.

Contracts, Partnerships & Local Activities
State Contracts
Kentucky Department of Public Health
- Conduct inspections of mammography facilities.
- Conduct food safety inspections.

University of Kentucky
- Conduct inspections of medicated feed mills and BSE.

State Partnerships
Kentucky Cabinet for Health Services of Commonwealth of Kentucky
- Participated in Better Process Control School
- Participated in FDA Risk Assessment Training
- Conducted Raw Agriculture & Raw Fish Sampling & Analysis for pesticide residues.
- Coordinate testing of new and re-assembled x-ray equipment.
- Cincinnati District had a partnership meeting with OH & KY to discuss current and possible future partnerships with the feed and food individuals.

Local Activities
Kentucky Food Safety Task Force – Quarterly Meetings.
- Composed of State, Federal, Academic, and Industry Representatives with an interest in food safety and security.

Food and Drug Administration
Fact Sheet – Louisiana

FDA Presence: 49 FDA employees in Louisiana
Resident Posts in Louisiana: Baton Rouge, Lafayette, Shreveport

- report to: New Orleans District: New Orleans, Louisiana, who
- reports to: Southeast Region: Atlanta, Georgia

Industry Presence in State
There are 2,288 FDA-regulated establishments in the State of Louisiana

- Food establishments – 63 percent
- Medical device and Radiological establishments – 19 percent
- Human drug establishments – 12 percent
- Biologic establishments (includes blood banks) – 4 percent
- Animal drug and feed establishments – 2 percent

Industry Highlights

- Seafood –a primary industry supplying large volumes of shrimp, crawfish, oysters and fish. Fish include both native and farm-raised, marine and fresh water species.
- Imports – New Orleans is a major port, with green coffee the leading commodity.
- Agriculture – major portions of Louisiana are supplying agricultural products, such as rice, soybeans, sugar cane and cattle.
- Exports – Using the Mississippi River for transportation, the mid continent of the United States markets its grain products to the world through port facilities located along the river in the vicinity of New Orleans.

Contracts & Partnerships
<u>State contracts</u>
Department of Health and Hospitals

- Conduct inspections of food for sanitation and seafood for Hazard Analysis and Critical Control Points (HACCP) requirements.

Department of Environmental Quality

- Conduct inspections of mammography facilities.

Department of Agriculture and Forestry

- Conduct follow-up investigations of violative tissue residues in food animals at the time of slaughter.

<u>State Partnerships</u>
Department of Health and Hospitals

- Coordinate public health emergencies in mutual areas of responsibility.
- Conduct inspections of seafood processors.
- Share oversight and authority of regulated dairy manufacturing facilities

Department of Environmental Quality

- Maintain a program for federal compliance testing of new assemblies or re-assemblies of x-ray equipment.

Department of Agriculture & Forestry

- Maintain a program for monitoring pesticide residues in raw agricultural commodities.

Food and Drug Administration
Fact Sheet – Maine

FDA Presence: 19 FDA employees in Maine
Resident Posts: Augusta, Houlton and Calais
reports to: New England District, Stoneham, Massachusetts, who
reports to: Northeast Region, Jamaica, New York

Industry Presence in State

There are 1,000 FDA-regulated establishments in the State of Maine
Food establishments (includes cosmetics) - 71 percent
Medical Device and Radiological establishments - 16 percent
Human Drug establishments - 9 percent
Biological establishments (includes blood banks) - 2 percent
Animal Drug and Feed establishments - 2 percent

Industry Highlights

- Maine's inventory of firms makes up 12% of the District's Official Establishment Inventory of FDA-regulated firms, with the majority of those firms involved in the production and distribution of foods, and more than half of those firms involving seafood/shellfish products.
- Maine also has various ports of entry for imported goods, primarily from Canada.

Contracts & Partnerships

State Contracts
Maine Department of Agriculture
- Conduct food sanitation inspections
- Conduct seafood HACCP (Hazard Analysis and Critical Control Point) inspections

Maine Department of Human Resources
- Conduct inspections of mammography facilities

Food and Drug Administration
Fact Sheet –Maryland

FDA Presence: 52 FDA employees in Maryland
Resident Posts: Salisbury, Dundalk Marine Terminal (imports) who report to: Baltimore District, Baltimore, Maryland who reports to Central Region, Philadelphia, Pennsylvania.

Industry Presence in State
There are 1,942 FDA-regulated establishments in the State of Maryland
Food establishments (includes cosmetics) - 42 percent
Medical device and Radiological establishments - 37 percent
Human drug establishments - 15 percent
Biologic establishments (includes blood banks) - 6 percent
Animal drug and feed establishments - 3 percent

Industry Highlights
The industry in the state is very diverse and representative of the FDA national inventory, including large, medium and small firms active in all FDA regulated industries:

- Federal Food Service facilities
- Seafood
- Spices
- Bioresearch monitoring facilities (clinical investigators)
- Biotech facilities
- Imported products through the Port of Baltimore and BWI Airport

Contracts & Partnerships

State contracts
Maryland Department of Health and Mental Health

- Conduct food sanitation, seafood, and Low Acid Canned Food (LACF) inspections.

Maryland Department of Agriculture

- Conduct follow-up inspections due to reported finding of illegal residues in the tissue of food animals at slaughter.
- Monitor and perform inspections of feed mills, renderers and others to assure compliance with BSE regulations.

Food and Drug Administration
Fact Sheet – Massachusetts

FDA Presence: 162 FDA employees in Massachusetts including State Programs Branch (5) and Regional Computer Center personnel (4)
Resident Posts: Boston (7 employees) and Worcester (5 employees)
reports to: New England District, Stoneham, Massachusetts (85 employees)
reports to: Northeast Region, Jamaica, New York
Laboratory: Winchester Engineering and Analytical Center, Winchester, Massachusetts (65 employees)
reports to: Northeast Region, Jamaica, New York

Industry Presence in State

There are 4,046 FDA-regulated establishments in the State of Massachusetts
Food establishments (includes cosmetics) - 44 percent
Medical Device and Radiological establishments - 38 percent
Human Drug establishments - 13 percent
Biological establishments (includes blood banks) - 4 percent
Animal Drug and Feed establishments - 1 percent

Industry Highlights

- Houses almost one-half of the regulated industry in New England with special emphases in biotechnology and medical devices. Serves as corporate headquarters for many of these firms.
- In addition, as a coastal state, Massachusetts has a large inventory of seafood establishments.

State Contracts and Partnerships

State Contracts
Massachusetts Department of Public Health
- Conduct inspections of mammography facilities.
- Conduct food sanitation inspections.
- Conduct seafood HACCP (Hazard Analysis and Critical Control Point) inspections.

Food and Drug Administration
Fact Sheet – Michigan

FDA Presence: 76 employees in Michigan
Resident Posts: Grand Rapids, Ambassador Bridge, Kalamazoo, and Port Huron
who report to: Detroit District Office, Detroit, MI
who reports to: Central Region, Philadelphia, PA

Industry Presence in State

There are 3,051 active FDA-regulated establishments in the State of Michigan
Food establishments (includes cosmetics) – 45 percent
Medical Device and Radiological establishments – 29 percent
Animal drug and feed establishments – 13 percent
Human Drug establishments (includes Medical Gas) – 10 percent
Biological establishments (includes blood banks) – 3 percent

Industry Highlights: Major firms:

- Drugs: Parkedale Pharmaceuticals (Div. of King Pharmaceuticals), Pfizer, Dow Chemical, Perrigo, BASF, DSM Pharma Chemicals, Zeeland Chemical, Caraco Pharmaceutical.
- Foods: Mead Johnson Nutritionals, Ross Laboratories, Gerber Products, Kellogg Co., Post Cereals.
- Devices: Dow Corning, Stryker Instruments, Terumo Cardiovascular Systems Corp., Atek Medical Manufacturing, Amigo Mobility.
- Biologics: Bioport, Inc. (sole source of Anthrax vaccine), American Red Cross National Testing Laboratory.
- Imports: Michigan ports of entry include airports, seaports, and border crossings along the Canadian border and include an international mail facility in Detroit. FDA-regulated commodities entering through these ports include food (68%), medical devices and radiological products (10%) and cosmetics (6%).

Contracts and Partnerships

State Contracts

Michigan Department of Agriculture

- Conduct medicated feed mill and BSE rule inspections
- Conduct follow up investigations of violative drug tissue residues of food animals detected at the time of slaughter.
- Conduct food safety inspections.

Michigan Department of Health

- Conduct inspections of mammography facilities.

State Partnerships

Michigan Department of Agriculture

- Implement an inspection plan to assure quality of non-Interstate Milk Shippers dairy products, other foods & drinks produced at dairy plants.
- Collect animal feed samples for pesticide residue analysis by FDA.
- (with Michigan State University) Jointly share information regarding the establishment of a Hazard Analysis & Critical Control Point (HACCP) pilot project with the apple cider industry.

Michigan Department of Public Health

- Educate consumers about the risks and dangers of AIDS health fraud.

Food and Drug Administration
Fact Sheet – Minnesota

FDA Presence: 65 FDA employees in Minnesota
Resident Post: International Falls
reports to: Minneapolis District: Minneapolis
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State

There are 3,059 FDA-regulated establishments in the State of Minnesota
Food establishments (includes cosmetics) - 38 percent
Medical device and Radiological establishments - 29 percent
Animal drug and feed establishments - 20 percent
Human drug establishments - 10 percent
Biologic establishments (includes blood banks) - 3 percent

Imports

- There are 12 ports of entry in the State of Minnesota.
- FDA regulated import entries are predominantly medical devices, some pharmaceuticals, human food, including whole grain and milled products, and non-medicated animal feed.
- Minnesota FDA regulated import entries from the 12 ports are handled by the Minneapolis District Office and two Resident Posts located on the Canadian border at International Falls, MN, and at Pembina, North Dakota.

Industry Highlights

- Leads the nation in production of sugar beets, green peas for processing, sweet corn for processing, and turkeys
- Second in the nation in production of spring wheat, oats, cultivated wild rice, and canola. Other key crops/products include corn, sunflowers, soybeans, all wheat, barley, dry edible beans, all hay, potatoes, flaxseed, total cheese, American cheese, milk, ice cream, honey, milk cows, and hogs.
- Minnesota ranks seventh nationally in agricultural exports
- Minnesota is home to such major firms as Medtronic, General Mills, 3M, Pillsbury, Land 0'Lakes, and Guidant.
- The University of Minnesota and the Mayo Clinic are very active in medical bio-research

Contracts & Partnerships

Minnesota Department of Agriculture (contracts)

- Conduct GMP inspections of licensed medicated feed mills and BSE inspections at licensed and unlicensed feed facilities.
- Conduct food safety inspections, HACCP seafood, and elevator inspections.

Minnesota Health Department (contract)

- Conduct MQSA audits of mammography facilities.

Minnesota Department of Agriculture (partnerships)

- Incident Command System Emergency Response Training

Food and Drug Administration
Fact Sheet – Mississippi

FDA Presence: 6 FDA employees in Mississippi
Resident Post: Jackson
- reports to: New Orleans District: New Orleans, Louisiana, who
- reports to: Southeast Region: Atlanta, Georgia

Major Import Port(s): Gulfport

Industry Presence in State
There are 910 FDA-regulated establishments in the State of Mississippi
- Food establishments (includes cosmetics) – 50 percent
- Medical device and Radiological establishments – 26 percent
- Human drug establishments – 12 percent
- Animal drug and feed establishments – 9 percent
- Biologic establishments (includes blood banks) – 3 percent

Industry Highlights
- Seafood – Mississippi's primary food industry includes Gulf shrimp and oysters on the coast and farm-raised catfish in the Delta.
- Imports – Most of the bananas exported into the south central part of the U.S. are entered through the Port of Gulfport.
- Shipbuilding – A sizeable shipbuilding industry is located in the city of Pascagoula.
- Human Drugs and Devices – Baxter operates a large LVP and device manufacturing facility in Cleveland.
- Agriculture – Poultry, timber, cattle, cotton, and soybeans are major agricultural crops.

Contracts & Partnerships
State Contracts
Mississippi Department of Health
- Conduct food sanitation inspections.
- Conduct mammography facility inspections.

State Partnerships
Mississippi Department of Health
- Share oversight and authority of regulated Interstate Milk Shippers Milk Processing Plants and IMS listed Single Service Container Manufacturing Plants in Mississippi.
- Cooperate in the evaluation of Mississippi's efforts to control contributing factors linked to food borne illness outbreaks.
- Conduct inspections of new x-ray assemblies or re-assemblies.

Mississippi Department of Marine Resources and Department of Agriculture
- Establish a cooperative emergency response plan for natural disasters.

Special Programs
Active Food Safety Task Force which includes MS Department of Health, MS Department of Agriculture and Commerce, MS Department of Marine Resources, MS State University Extension Service, MS Chemical Laboratory, MS Restaurant Association, MS Farm Bureau.

Food and Drug Administration
Fact Sheet – Missouri

FDA Presence: 45 FDA employees in Missouri. *(14 assigned to ORA)*
Resident Posts: St. Louis (14), Springfield (2)
report to: Kansas City District, Lenexa, Kansas
reports to: Southwest Region, Dallas, Texas
CDER National Division of Pharmaceutical Analysis *(St. Louis – 29 FDA employees)*

Industry Presence in State
There are 2,521 FDA-regulated establishments in the State of Missouri
Food establishments (includes cosmetics) – 41 percent
Medical device and Radiological establishments - 25 percent
Animal drug and feed establishments - 17 percent
Human drug establishments - 16 percent
Biologic establishments (includes blood banks) - 2 percent

Industry Highlights
- Key Agricultural Products:
  - Major crops include, soybeans, corn and wheat.
  - During the year 2000, the state produced 4.4 million head of cattle and 263 million chickens.
- Bio-technology:
  - Missouri ranks 11th among the top 25 biotechnology industry states in U.S.
- Major Veterinary Pharmaceutical Industry.

Contracts, Partnerships & Local Activities
State contracts
Missouri Department of Health and Senior Services
- Conduct inspections of mammography facilities.
- Conduct food safety inspections

State Partnerships
Missouri Department of Agriculture
- Sample products for presence of aflatoxin or vomitoxin
- Conduct inspections and other activities involving BSE.

Missouri Department of Health and Senior Services
Coordinate the oversight of dairy manufacturing facilities.
- Pharmaceutical Technical Exchange Association (PTEA) organized by FDA to facilitate information exchange among the 200 member firms. PTEA meets semi-annually in various locations throughout the State of Missouri.
- FDA's St Louis office provides oversight for the FDA-funded *Missouri AIDS Fraud Task Force* comprised of consumer organizations and government agencies from throughout the state.

Food and Drug Administration
Fact Sheet – Montana

FDA Presence: 3 FDA employees in Montana
Resident Posts: Helena and Sweetgrass
report to: Seattle District: Bothell, Washington, Charles Breen, DD
reports to: Pacific Region: Oakland, California, Brenda Holman, RFDD

Industry Presence in State
There are 1,000 FDA-regulated establishments in the State of Montana
Food establishments (includes cosmetics) – 73 percent
Medical device and Radiological establishments – 12 percent
Human drug establishments – 7 percent
Animal drug and feed establishments – 7 percent
Biologic establishments (includes blood banks) – 1 percent

Industry Highlights
- Production and processing of high protein grains and cereals is the leading agricultural activity followed by the beef industry.
- The largest General Mills facility is located in Billings, Montana.
- Over 270 grain elevators are subject to FDA inspectional jurisdiction.

Contracts & Partnerships

State contracts
Montana Department of Agriculture
- Conduct BSE inspections.

Montana Department of Public Health and Human Services
- Conducts inspections of mammography facilities and food facilities.

State Partnerships
Montana Department of Agriculture
- Formalize the ongoing cooperative program, which encourages work sharing, data sharing, and educational exchange with respect to safety of animal feed.

Montana Department of Public Health and Human Services
- Establish working arrangements concerning mutual planning and sharing of reports for inspections, investigations, and analytical findings, related to food firms operating in the State of Montana.

Food and Drug Administration
Fact Sheet – Nebraska

FDA Presence: 4 FDA employees in Nebraska
Resident Post: Omaha
Reports to: Kansas City District, Lenexa, Kansas
Reports to: Southwest Region, Dallas, Texas

Industry Presence in State
There are1,073 FDA-regulated establishments in the State of Nebraska
Food establishments (includes cosmetics) - 51 percent
Animal drug and feed establishments - 23 percent
Medical device and radiological establishments -15 percent
Human drug establishments -10 percent
Biologic establishments (includes blood banks) - 1 percent

Industry Highlights
Key Agricultural State
- Major products include cattle, corn, hogs, soybeans, wheat, sorghum
- Major Industry involves food processing of state's farm output
- In 2004, produced 6.7 million cattle; 3 million hogs, 15 million chickens/broilers

Contracts, Partnerships & Local Activities
State Contracts
Nebraska Department of Agriculture
- Conduct inspections of medicated animal feed mills for safety and BSE control.
- Conduct food safety inspections.

State Partnerships
Nebraska Department of Agriculture
- Sampling and analysis of products for mycotoxins.
- Share oversight of dairy manufacturing facilities.
- Share information on rendering facilities (BSE).
- Conduct inspections of interstate transportation carriers.

Nebraska Department of Health and Human Services
- Inspect new and reassembled x-ray equipment, with FDA providing support

Local Activities
- As part of FDA's BSE enforcement program, the District continues to partner with the State Veterinarian to commission Nebraska Department of Agriculture (NDA) employees who routinely inspect all rendering plants under the jurisdiction of USDA, FDA and NDA.

Food and Drug Administration
Fact Sheet - Nevada

FDA Presence: 3 FDA employees in Nevada
Resident Posts: Reno, Las Vegas
report to: San Francisco District, Alameda, California
reports to: Pacific Region, Oakland, California

Industry Presence in State
There are 569 FDA-regulated establishments in the State of Nevada
Medical device and radiological establishments - 45 percent
Food establishments (includes cosmetics) - 24 percent
Human drug establishments - 15 percent
Animal drug and feed establishments -12 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights
- Growth of tourism and entertainment industry is demonstrated by the fact that there are more than 7000 food service establishments in Clark County (including Las Vegas) alone and by expansion of food-related industries in the state

Contracts & Local Activities
State Contracts
Nevada Department of Human Resources
- Conduct inspections of mammography facilities.

Nevada Department of Agriculture
- Conduct inspections of animal feed establishments for BSE

Local Activities
- Ongoing public affairs cooperation with Nevada Cooperative Extension Service, Nevada Dietetic Association, University of Nevada Las Vegas and University of Nevada Reno
- FDA has worked closely with the Nevada State Health Division, Bureau of Health Protection Services, in oversight and training in areas of acidified foods and fluid milk, to provide for better coverage and more uniform application of laws and regulations

Food and Drug Administration
Fact Sheet – New Hampshire

FDA Presence: 5 FDA employees in New Hampshire
Resident Post: Concord
reports to: New England District, Stoneham, Massachusetts who
reports to: Northeast Region, Jamaica, New York

Industry Presence in State

There are 631 FDA-regulated establishments in the State of New Hampshire
Food establishments (includes cosmetics) - 45 percent
Medical Device and Radiological establishments - 37 percent
Human Drug establishments - 14 percent
Biological establishments (includes blood banks) - 3 percent
Animal Drug and Feed establishments - 1 percent

Industry Highlights

- New Hampshire is responsible for overseeing approximately 7% of the New England District's Official Establishment Inventory of regulated firms, with an emphasis on foods and medical devices.

State Contracts, Partnerships & Local Activities

Local Activities
New Hampshire has a Safe Food Alliance in which FDA is a participant.

Food and Drug Administration
Fact Sheet – New Jersey

FDA Presence: 86 employees in New Jersey
Resident Posts: Voorhees, New Brunswick
report to: New Jersey District, Parsippany (Newark), New Jersey
reports to: Central Region, Philadelphia
Industry Presence in State
There are 4,126 FDA-regulated establishments in the State of New Jersey
Food establishments (includes cosmetics) – 46 percent
Medical Device and Radiological establishments – 32 percent
Human Drug establishments – 18 percent
Biological establishments (includes blood banks) – 2 percent
Animal drug and feed establishments – 2 percent

Industry Highlights

- New Jersey is recognized internationally as the center of the global pharmaceutical industry. It is home to some of the largest pharmaceutical companies. Throughout the 1990's, New Jersey-based pharmaceutical companies discovered and developed more than 1/3 of new drugs approved by FDA and are responsible for over 40% of the prescription medicine sales in the U.S.
- The medical device industry is also a major industry in New Jersey, producing approximately 8% of U.S. medical technology sales.
- New Jersey also has a large and thriving seafood industry and is home to several major food-processing companies.

Contracts & Partnerships

State Contracts

New Jersey Department of Health and Senior Services
- Conducts 400 food safety inspections, including seafood HAACP inspections.

New Jersey Department of Environmental Protection
- Conducts inspections of mammography facilities

New Jersey Department of Agriculture
- Conducts follow up investigations of violative tissue residues in food animals found at the time of slaughter.
- Conduct inspections of feed mills for compliance with medicated feed and BSE-related requirements.

State Partnerships

New Jersey Department of Health and Senior Services
- Training and equipment to enhance capabilities of State to conduct food safety inspections.

New Jersey Department of Environmental Protection
- Equipment and supplies to enhance collection and analysis of agricultural food commodities for pesticide levels.

Food and Drug Administration
Fact Sheet – New Mexico

FDA Presence: 6 FDA employees in New Mexico
Resident Posts in New Mexico (Imports, 2 employees):
Santa Teresa and Columbus report to:
Southwest Import District: Dallas, Texas
Resident Post: Albuquerque reports to: Denver District, Denver, Colorado

Industry Presence in State
There are 703 FDA-regulated establishments in the State of New Mexico
Food establishments (includes cosmetics) - 47 percent
Human drug establishments - 22 percent
Medical device and Radiological establishments - 20 percent
Animal drug and feed establishments - 7 percent
Biologic establishments (includes blood banks) - 5 percent
The Southwest Import District (SWID) receives approximately 15,604 line entries per year. The primary products are: Candy, Fresh Peppers, pecans, Fresh/dried corn.

Industry Highlights
- Large Industry making acidified products such as salsa and specialty sauces.
- Higher concentration of PhD's than any other state
- Home to four federal research labs, three strong research and development universities and the new Technology Research Corridor. These institutions alone bring together a total R&D spending of almost $5 billion
- Third in natural gas production, second in onshore proven gas reserves and first in coal bed methane gas production and reserves. Leader in alternative power sources

Contracts and Partnerships
State Contracts
New Mexico Department of Agriculture and Environmental Services
- Conduct inspections of medicated feed mills for safety and BSE control.

New Mexico State University
- Conduct scientific review of rapid test methods for validity and potential use in FDA Laboratories for regulatory screening

State Partnerships
New Mexico Department of Agriculture
- Conduct federal compliance testing of new assemblies or re-assemblies of x-ray equipment.

New Mexico Departments of Health, Agriculture, Environment, Livestock; Albuquerque City Health Department, Bernalillo County Environmental Health Department; NM Food Producers/Processors Association; NM University Cooperative Extension Service; and other industry and consumer groups
- Formalize ongoing cooperative program to educate regulators, industry & consumers on HACCP, food safety principles, & develop/implement statewide HACCP training plan.

Food and Drug Administration
Fact Sheet – New York

FDA Presence: 383 FDA employees in New York State
Resident Posts: Albany, Alexandria Bay, Binghamton, Champlain, Central Islip, Massena, New Windsor, Ogdensburg, Rochester, Syracuse, and White Plains, in addition to an office in Buffalo.

Report to: New York District, Jamaica (New York) who
Reports to: Northeast Region, Jamaica (New York)
Northeast Regional Laboratory, New York who reports to: Northeast Region

Industry Presence in State

There are 8,533 regulated establishments in the State of New York

Food establishments (includes cosmetics) - 39 percent
Medical Device and Radiological establishments - 36 percent
Human drug establishments - 16 percent
Animal drug and feed establishments - 6 percent
Biologic establishments (includes blood banks) - 3 percent

Industry Highlights

- Imports - New York ports of entry include airports, a seaport and numerous border crossings along the Canadian border. Approximately 33% of the FDA regulated commodities enter the country through New York. Cheese, seafood, and active pharmaceutical ingredients are the top three high volume commodities entering New York. International postal facilities at JFK Airport and also at the Buffalo location require New York District surveillance activities overseeing a significant volume of pharmaceutical entries.
- Generic drugs - New York supports a significant generic drug industry.
- Bioresearch – A significant number of clinical investigators and Institutional Review Boards affiliated with the many NYC metropolitan hospitals.
- Dairy - New York is one of the lead dairy states in the country.
- Livestock - New York receives a significant number of reports on violative residues in food animals detected at the time of slaughter from the USDA.
- Food - New York is the home of a highly visible food interstate conveyance sanitation program at the airports, rail and bus transportation locations. Food processors would include smoked fish, seafood, vegetables and cheese.

Contracts & Partnerships

State contracts

New York Department of Agriculture and Markets

- Conduct inspections of food firms including LACF, seafood HACCP, and food sanitation; BSE and medicated feed mills; and tissue residue inspections. NYSDAM audits its state inspectors under FDA contract.

New York State Department of Health

- Conduct inspections of mammography facilities.

State Partnerships

New York Department of Agriculture and Markets

- Coordinate the food protection efforts to reduce consumer risk, eliminate duplication, define regulatory roles, and improve channels of communication.
- Collect samples of domestic foods for pesticide/mycotoxin surveillance analysis.

Other

- Conduct inspections of mammography facilities by New York City inspectors.
- Enhanced collaborative efforts with U.S. Customs resulting in the detection of entries previously circumventing FDA's entry review process.
- NYSDAM and FDA have agreed to work together to halt the entry and distribution of adulterated foods. This collaborative effort will include the sampling of imported foods encountered by NYSDAM in the marketplace for ultimate submission to FDA for analysis. When a violation is confirmed by both Agencies, NYSDAM will initiate the appropriate regulatory action on the market while FDA will initiate an Import Alert to prevent future entries of the violative product.

Food and Drug Administration
Fact Sheet – North Carolina

FDA Presence: 20 FDA employees in North Carolina
Resident Posts: Asheville, Charlotte, Greensboro, Greenville, Raleigh, and Wilmington
report to: Atlanta District, Atlanta, Georgia, who
reports to: Southeast Region, Atlanta, Georgia

Industry Presence in State
There are 2,734 FDA-regulated establishments in the State of North Carolina
Food establishments (includes cosmetics) – 44 percent
Medical Device and Radiological establishments – 28 percent
Human Drug establishments – 19 percent
Animal Drug and Feed establishments –7 percent
Biological establishments (includes blood banks) – 3 percent

Industry Highlights
- Major international drug firms located in Research Triangle Park area.
- Significant medical device industries.
- Land ports in Charlotte (10,000 entries per annum), Raleigh (6,000 entries per annum), and Greensboro (4,000 entries per annum)—major products include foods, drugs, and medical devices. Sea ports in Wilmington (2,000 entries per annum)—major products include animal feeds and commodities such as grapes, and Morehead City-Beaufort (less than 25 entries per annum)—major products include dry bulk animal feed and human food.

Contracts, Partnerships & Local Activities

State Contracts
North Carolina Department of Agriculture
- Conduct inspections of feed mills for medicated feed and BSE
- Conduct food sanitation inspections

North Carolina Department of Environment & Natural Resources
- Conduct inspections of mammography facilities.

State Partnerships
North Carolina Department of Agriculture
- Conduct joint statutory inspectional coverage of the medical gas manufacturing and repacking industries.
- Conduct inspection of fish & fisheries products processors for compliance with the Hazard Analysis and Critical Control Points (HACCP) regulations.

North Carolina Department of Environment & Natural Resources
- Conduct inspections of new x-ray assemblies or reassemblies.

Local Activities
North Carolina Food Safety and Security Task Force

Food and Drug Administration
Fact Sheet – North Dakota

FDA Presence: 4 FDA employees in North Dakota
Resident Posts: Dunseith, Fargo, and Pembina
reports to: Minneapolis District, Minneapolis, Minnesota
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State
There are 1,009 FDA-regulated establishments in the State of North Dakota
Food establishments (includes cosmetics) – 63 percent
Animal drug and feed establishments - 29 percent
Medical Device and Radiological establishments - 5 percent
Human drug establishments - 2 percent
Biologic establishments (includes blood banks) – 1 percent

Imports
- There are 20 active ports of entry in the State of North Dakota.
- FDA regulated import entries are predominantly human food, including whole grain and milled products, and non-medicated animal feed.
- North Dakota FDA regulated import entries are predominantly handled out of the 2 ND Northern border ports staffed by FDA in Pembina and Dunseith.

Industry Highlights
- Agriculture – Leads the nation in barley, oats, sunflowers, dry edible beans, dry edible peas, flax, and canola production. Ranks second in wheat, lentils, and honey production. Other key crops include rye, potatoes, and sugarbeets.
- North Dakota ranks eighth nationally in agricultural exports.
- Raising of elk, deer and buffalo for meat is a rapidly expanding part of the state's agri-industry.

Contracts & Partnerships
State Contracts
North Dakota Department of Agriculture:
- Conduct GMP inspections of licensed feed mills, and BSE inspections of licensed and unlicensed feed facilities.
- Conduct follow up investigations of first time violators of tissue residues in food animals.

North Dakota Department of Health:
- Conduct inspections of mammography facilities.

Partnerships
North Dakota State University Extension
- Improving Food Handling through Education and Outreach.

Food and Drug Administration
Fact Sheet – Ohio

FDA Presence: 125 FDA employees in Ohio

- **Cincinnati District Office** and three Resident Posts: Brunswick (Cleveland area), Columbus, and Toledo
- **Forensic Chemistry Center:** Cincinnati, Ohio, (50 total)

The Cincinnati District Office and the Forensic Chemistry Center are separate organizations, each independently reports to the RFDD in the Central Region Office in Philadelphia, Pennsylvania

Industry Presence in State

There are 4,304 FDA-regulated establishments in the State of Ohio

Medical Device and Radiological establishments – 35 percent
Food establishments (includes cosmetics) - 34 percent
Human drug establishments - 15 percent
Animal drug and feed establishments - 12 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights

- Eggs – Ohio leads the nation in egg production.
- Agriculture – Ohio includes a significant agricultural base including "mega-farms."

Contracts, Partnerships & Local Activities

State Contracts

Department of Agriculture

- Conduct inspections of feed mills for medicated feed and BSE.
- Conduct human food sanitation inspections.
- Conduct follow up investigations of violative drug residues in food animals at the time of slaughter

Department of Health

- Conduct inspections of mammography facilities

State Partnerships

Ohio Department of Agriculture

- Establish training for state employees in analytical procedures & to conduct joint inspections.
- Joint training of the livestock industry on producing and marketing livestock without drug residues.
- Participated in FDA Food Preservation Training.
- Cincinnati District had a partnership meeting with OH & KY to discuss current and possible future partnerships with the feed and food individuals

Ohio Department of Health

- Conduct federal compliance testing of new assemblies or re-assemblies of x-ray equipment.
- Cincinnati District had a partnership meeting with OH & KY to discuss current and possible future partnerships with the feed and food individuals

Local Activities

- Quarterly FORC-G Meetings with State and local officials on food safety issue.

Food and Drug Administration
Fact Sheet – Oklahoma

FDA Presence: 4 FDA employees in Oklahoma
Resident Posts: Oklahoma City and Tulsa
report to: Dallas District, Dallas, Texas who
reports to: Southwest Region, Dallas, Texas
Import Entries are handled from the Dallas Southwest Import District office in Dallas, Texas and with the assistance of the staff located at the Oklahoma Resident Post.

Industry Presence in State
There are approximately 1,312 FDA-regulated establishments in Oklahoma
Food establishments (includes cosmetics) - 59 percent
Medical device and Radiological establishments - 16 percent
Animal drug and feed establishments - 16 percent
Human drug establishments - 8 percent
Biologic establishments (includes blood banks) - 3 percent

Industry Highlights
- Eggs - Oklahoma is a major egg production state.
- Poultry – Oklahoma is home to Tyson poultry productions
- Foods – Oklahoma is the home of Bama pies.
- Grains - Oklahoma produces a significant amount of winter wheat, peanuts, soybeans, and seeds for sprouts.
- Farming - Oklahoma is a major producer of feeder cattle, milk and catfish.
- Medical devices – Oklahoma is home to major device manufacturers including dental implants and kidney dialysis supplies.
- Dietary Supplements – Oklahoma is home to Shaklee manufacturing.
- Bioresearch – the University of Oklahoma, School of Medicine generates work in the bioresearch program area.

The Southwest Import District receives approximately 1,016 line entries per year.

Contracts, Partnerships and Local Activities
State Contracts
Oklahoma Department of Health
- Conduct inspections of mammography facilities.

Oklahoma Department of Agriculture
- Conduct inspections of feed mills to determine compliance with BSE Rule.

State Partnerships
Oklahoma Department of Agriculture
- Share oversight and authority of regulated dairy manufacturing facilities

Dallas District Public Affairs Specialists respond to consumers and media inquires and conduct consumer education outreach to diverse constituents.

Food and Drug Administration
Fact Sheet - Oregon

FDA Presence: 13 FDA employees in Oregon
Resident Posts: Portland and Beaverton who
report to: Seattle District, Bothell, Washington, Charles Breen, DD
reports to: Pacific Region, Oakland, California, Brenda Holman, RFDD

Industry Presence in State
There are 2,576 FDA-regulated establishments in the State of Oregon
Food establishments (includes cosmetics) - 72 percent
Medical device and Radiological establishments - 18 percent
Human drug establishments - 7 percent
Biologic establishments (includes blood banks) - 1 percent
Animal drug and feed establishments - 2 percent

Industry Highlights
- Oregon agriculture, fisheries, and food processing activities are valued to exceed $5.25 Billion in commerce.
- Biotechnology, medical device, and medical research activities are growing industries within the State.

Contracts, Partnerships & Local Activities
State Contracts
Oregon Department of Agriculture
- Conduct food sanitation inspections, including seafood HACCP.
- Conduct follow-up investigations of violative tissue residues in food animals at the time of slaughter.
- Conduct BSE inspections.

Oregon State Department of Human Resources
- Conduct inspections of mammography facilities

State Partnerships
Oregon State Department of Agriculture
- Share information and training to enhance consumer protection in food safety.

Local Activities
FDA representatives participate in:
- Interagency Food Safety Team
- Oregon Alliance Working for Antibiotic Resistance Education
- Oregon Emergency Planning Food Security Core Committee
- Oregon Emergency Planning Food Security Production Committee

Food and Drug Administration
Fact Sheet – Pennsylvania

FDA Presence: Approximately 100 employees in Pennsylvania
Residence Posts: Harrisburg, North Wales, Pittsburgh, and, Scranton
report to: Philadelphia District, Philadelphia
reports to: Central Region, Philadelphia

Industry Presence in State:
There are 4,727 FDA-regulated establishments in the Commonwealth of Pennsylvania.

- Food Establishments (includes cosmetics) - 42 percent
- Medical Device and Radiological establishments -31 percent
- Human Drug establishments- 19 percent
- Animal drug and feed establishments – 4 percent
- Biological establishments (includes blood banks) – 4 percent

Industry Highlights:

- Pennsylvania has a large pharmaceutical industry.
- Pennsylvania is one of the Nation's largest producer of dairy products, mushrooms, poultry and eggs.

Contracts, Partnerships & Local Activities

State Contracts:
Pennsylvania Department of Agriculture

- Conduct inspections of medicated feed mills, including coverage of BSE.

Pennsylvania Department of Environmental Research

- Conduct inspections of mammography facilities

State Partnerships:
Pennsylvania Department of Agriculture:

- Coordinate regulatory activities enforcing the Nutrition Labeling & Education Act.
- Coordinate their regulatory activities relating to inspection of seafood and Low Acid Canned Food Industries
- Coordinate workplanning and inspectional activities to assure all non-medicated feed mills in Pennsylvania are inspected yearly to assure compliance with regulations designed to prevent the introduction of BSE

Pennsylvania Departments of Agriculture & Health:

- Assure consumers that eggs from Pennsylvania are of minimal risk to cause food-borne disease from *Salmonella enteriditis.*

Local Activities
Participate in the Pennsylvania AIDS Health Fraud Task Force

FDA funded Medicated Feed Inspection training for Pennsylvania Dept. of Agriculture employees scheduled for 3/30 to 4/1/04 in Harrisburg, PA

Food and Drug Administration
Fact Sheet – Rhode Island

FDA Presence: 5 FDA employees in Rhode Island
Resident Post: East Providence
reports to: New England District, Stoneham, Massachusetts, who
reports to: Northeast Region, Jamaica, New York

Industry Presence in State

There are 744 FDA-regulated establishments in the State of Rhode Island
Food establishments (includes cosmetics) – 58 percent
Medical Device and Radiological establishments – 28 percent
Human Drug establishments – 12 percent
Biological establishments (includes blood banks) – 2 percent
Animal Drug and Feed establishments - <1%

Industry Highlights

- Rhode Island is responsible for 9% of the District's Official Establishment Inventory of FDA-regulated firms with an emphasis on foods and medical devices.

State Contracts and Partnerships

State Contracts
Rhode Island Department of Health
- Conduct food sanitation inspections
- Conduct seafood HACCP (Hazard Analysis and Critical Control Point) inspections
- Conduct inspections of mammography facilities.

Food and Drug Administration
Fact Sheet – South Carolina

FDA Presence: 11 employees in South Carolina
Resident Posts: Charleston, Columbia, and Greenville
report to: Atlanta District, Atlanta, Georgia, who
reports to: Southeast Region, Atlanta, Georgia

Industry Presence in State
There are 1,205 FDA-regulated establishments in the State of South Carolina
Food establishments (includes cosmetics) – 56 percent
Medical Device and Radiological establishments – 27 percent
Human Drug establishments – 14 percent
Biological establishments (includes blood banks) – 3 percent
Animal Drug and feed establishments – 2 percent

Industry Highlights
- Major egg industry
- Major food supplement manufacturer
- Charleston ranks 4th in the nation among the largest container seaports; 45,000 entries annually; 75 custom house brokers; major commodities include canned, fresh, and frozen foods and seafood

Contracts, Partnerships & Local Activities

State Contracts
South Carolina Department of Agriculture
- Conducts inspections of food manufacturers for sanitation.

South Carolina Department of Health & Environmental Controls
- Conduct inspections of mammography and soft drink/bottled water facilities.

State Partnerships
South Carolina Department of Health & Environmental Control & Office of the South Carolina Veterinarian
- Support the South Carolina Egg Quality Assurance Plan in an integrated voluntary animal production food safety program designed to ensure the highest quality and safety of eggs.

Local Activities
- South Carolina Interagency Food Safety Council

Food and Drug Administration
Fact Sheet – South Dakota

FDA Presence: 2 FDA employees in South Dakota
Resident Post: Sioux Falls
reports to: Minneapolis District, Minneapolis, Minnesota
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State
There are 834 FDA-regulated establishments in the State of South Dakota
Food establishments (includes cosmetics) - 39 percent
Animal drug and feed establishments - 44 percent
Medical device and Radiological establishments – 10 percent
Human drug establishments - 5 percent
Biologic establishments (includes blood banks) – 2 percent

Imports
- There is one port of entry in the State of South Dakota.
- FDA regulated import entries are primarily food, food additives, cardiovascular and radiological devices.
- The majority of SD FDA regulated import entries are handled out of the Minneapolis District FDA office.

Industry Highlights
- Agriculture: Ranks second in the production of sunflowers.
- Other key crops/products include wheat, oats, rye, all hay, alfalfa hay, corn, sorghum, soybeans, flax, proso millet and honey.
- Cattle and sheep ranching are also a significant parts of the State's economy.

Contracts
South Dakota Department of Agriculture
- Conduct GMP inspections of licensed feed mills, and BSE inspections of licensed and unlicensed feed facilities.
- Conduct follow up investigations of first time violators of tissue residues in food animals.

South Dakota Department of Environment and Health
- Conduct inspections of mammography facilities.

State Partnerships
- Training Video for Food Service Employees.

Food and Drug Administration
Fact Sheet – Tennessee

FDA Presence: 48 FDA employees in Tennessee
Resident Posts: Chattanooga, Knoxville and Memphis, who

- report to: Branch Office, Nashville, Tennessee, who
- reports to: New Orleans District, New Orleans, Louisiana, who
- reports to: Southeast Region, Atlanta, Georgia

Industry Presence in State
There are 2,171 FDA-regulated establishments in the State of Tennessee

- Food establishments (includes cosmetics) – 34 percent
- Medical device and radiological establishments - 37 percent
- Human drug establishments - 19 percent
- Biologic establishments (includes blood banks) - 5 percent
- Animal drug and feed establishments - 5 percent

Industry Highlights

- Memphis import operation works around the clock to review 100,000 entries of regulated products annually for Fed-Ex, the nation's largest overnight courier service
- Major medical research centers at universities and hospitals in Memphis and Nashville
- One national biologics testing laboratory and several regional blood banking operations
- Major oral antibiotic manufacturer
- 2 major implantable device manufacturers
- Rapidly expanding freshwater prawn/shrimp industry
- 10 Paddlefish roe (domestic caviar) processors

Contracts & Partnerships
<u>State contracts</u>
Tennessee Department of Agriculture

- Conduct inspections of food manufacturers for sanitation.
- Conduct feed mill inspections for BSE compliance.

Tennessee Department of Health

- Conduct inspections of mammography facilities

<u>State Partnerships</u>
Tennessee Department of Agriculture and University of Tennessee Agricultural Extension Service

- Assist new and small food manufacturers in meeting appropriate state and federal guidelines for producing safe and honestly labeled food products

Tennessee Department of Agriculture

- Conduct inspections of feed mills for medicated feeds and BSE.

Tennessee Department of Environment and Conservation

- Regulation of new x-ray assemblies or reassemblies.

<u>Special Programs</u>
Active Food Safety Task Force since 2002. The TN Departments of Agriculture, Inspection & Veterinary Services; TN Department of Health Epidemiologist, TN Department of Education, Univ. of TN Agricultural Extension Service and several industry representatives meet quarterly for program planning and information sharing.

Food and Drug Administration
Fact Sheet -- Texas

FDA Presence: 136 FDA employees in Texas
Import Resident Posts: Dallas-Fort Worth International Airport,
Houston Seaport/Airport, Yselta/El Paso, Laredo/Columbia/Lincoln-Juarez, Eagle Pass/
Del Rio, Rio Grande City, Pharr, Los Indios, Brownsville
report to: Southwest Import District (SWID) (52), Dallas
reports to: Southwest Region, Dallas
Domestic Resident Posts: Austin, El Paso, Houston, Ft. Worth, San Antonio
report to: Dallas District (94), Dallas
reports to: Southwest Region (24), Dallas
ORA HQ (4) and Office of Shared Services (14)

Industry Presence in Texas
There are approx. 7,645 FDA-regulated establishments in the State of Texas
Food establishments (includes cosmetics) - 53 percent
Medical devices and Radiological establishments - 24 percent
Human drug establishments – 9 percent
Animal drug and feed establishments - 11 percent
Biologics establishments (includes blood banks) - 3 percent

Industry Highlights
- Seafood - Texas Gulf Coast is the home of numerous seafood firms.
- Imports into Texas - The Southwest Import District (SWID) receives approximately 1,488,717 line entries per year. Primary products are fresh produce, seafood, processed foods, and medical devices.
- Human Drugs and Medical Devices – Texas is the home of Alcon, Allergan, Abbott, Hoechst-Cellanese, Mentor, Hospira and Cyberonics.

Contracts, Partnerships & Local Activities
State Contracts (all with the Texas Department of State Health Services)
- Conduct inspections for food sanitation.
- Conduct inspections for milk safety
- Conduct inspections for reported violative residue in food animals at slaughter.
- Conduct inspections of mammography facilities.
- Conduct medical device inspections

State Partnerships
Texas Department of Health
- Examine, sample & test imported foods, cosmetics, drugs & medical devices and take appropriate action.
- Conduct inspections of medical gas and OTC drug manufacturers and repackers.
- Conduct inspections of new x-ray assemblies and re-assemblies.
- Coordinate inspections of dairy manufacturing facilities.

Office of the Texas State Chemist – Feed and Fertilizer Control Service
- Coordinate inspections of animal feed production and BSE

Dallas District Public Affairs Specialists respond to consumers and media inquires and conduct consumer education outreach to diverse constituents.

Food and Drug Administration
Fact Sheet – Utah

FDA Presence: 7 FDA employees in Utah
Resident Post: Salt Lake City
reports to: Denver District, Denver, Colorado

Industry Presence in State

There are 992 FDA-regulated establishments in the State of Utah
Food establishments (includes cosmetics) - 44 percent
Medical device and radiological establishments - 27 percent
Human drug establishments –19 percent
Animal drug and feed establishments –6 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights

- Agriculture is dependent on irrigation, and more than three-fourths of farm income is from livestock and livestock products. Hay is the most important crop, followed by wheat, barley, and corn (maize).
- Following the national trend, farm employment and the number of farms in Utah have declined since 1960, but productivity has increased. Almost three-fourths of Utah's farm income comes from livestock products, the remainder from field crops, fruit, and canning crops.
- Utah has a thriving biotechnology and medical device manufacturing industry and is home to several of the nation's largest disposable device manufacturers.

Contracts, Partnerships & Local Activities

State contracts

Utah Department of Health
- Conduct inspections of mammography facilities.

Utah Department of Agriculture
- Conduct inspections of feed mills for medicated feed and BSE

State Partnerships

Utah Department of Agriculture & Food, Utah Department of Health and Industry
- Support the Utah Egg Quality Assurance Plan to ensure quality and safety of shell eggs.

Utah Department of Environmental Quality
- Conduct inspections of new x-ray assemblies or re-assemblies.

Food and Drug Administration
Fact Sheet – Vermont

FDA Presence: 4 FDA employees in Vermont
Resident Posts: Essex Junction and Highgate Springs
reports to: New England District, Stoneham, Massachusetts, who
reports to: Northeast Region, Jamaica (New York), New York

Industry Presence in State

There are 545 FDA-regulated establishments in the State of Vermont
Food establishments (includes cosmetics) - 74 percent
Medical Device and Radiological establishments – 12 percent
Human Drug establishments – 8 percent
Animal Drug and Feed establishments – 5 percent
Biological establishments (includes blood banks) – 1 percent

Industry Highlights

- Vermont has 7% of the District's Official Establishment Inventory of FDA-regulated firms with a concentration in the food area.

State Contracts and Partnerships

State Contracts
Vermont Department of Agriculture
- Conduct follow-up inspections/investigations of violative drug tissue residues in food animals at the time of slaughter.

Vermont Department of Health
- Conduct inspections of mammography facilities.
- Conduct food sanitation inspections.

Food and Drug Administration
Fact Sheet – Virginia

FDA Presence: 31 FDA employees in Virginia
Resident Posts: Falls Church, Norfolk, Norfolk Import Terminal, Richmond, and Roanoke who
report to: Baltimore District, Baltimore, Maryland who
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State

There are 2,186 FDA-regulated establishments in the State of Virginia
Food establishments (includes cosmetics) - 50 percent
Medical device and Radiological establishments - 31 percent
Human drug establishments - 10 percent
Animal drug and feed establishments - 5 percent
Biologic establishments (includes blood banks) - 4 percent

Industry Highlights

The industry in the state is very diverse and representative of the FDA national inventory including large, medium and small firms active in all FDA regulated product lines.

- Seafood
- Federal Food Service facilities
- Biotech firms
- HQ of the largest blood supplier in the U.S.
- Imported products via the ports of Norfolk/Newport News and Dulles International Airport

Contracts & Partnerships

State Contracts

Virginia Department of Agriculture and Consumer Services
- Conduct inspections of feed mills, monitor compliance with BSE regulations.
- Conduct food safety inspections.

Virginia Department of Health
- Conduct inspections of mammography facilities.

State Partnerships

Virginia Department of Agriculture and Consumer Services
- Collect and analyze food commodities grown for pesticides and industrial chemicals.

Virginia Department of Health Professions
- Inspect human and veterinary drug manufacturers, repackers and distributors

Virginia Department of Health
- Conduct inspections of the crabmeat processing industry.
- Collect and analyze clam and ocean quahog samples for marine biotoxins.
- Conduct seafood HACCP and human food sanitation inspections

Virginia Bureau of Radiological Health
- Conduct testing of new and re-assembled x-ray equipment.

Food and Drug Administration
Fact Sheet – Washington

FDA Presence: 177 FDA employees in Washington
Resident Posts: Blaine, Seattle, Spokane, Yakima, Oroville, and Tacoma.
report to: Seattle District: Bothell, Charles Breen, DD
reports to: Pacific Region: Oakland, California, Brenda Holman, RFDD
Pacific Northwest Regional Laboratory: Bothell, who reports to Pacific Region

Industry Presence in State

There are 4061 FDA-regulated establishments in the State of Washington
Food establishments (includes cosmetics) –70percent
Medical device and Radiological establishments – 18 percent
Human drug establishments – 6 percent
Animal drug and feed establishments – 4 percent
Biologic establishments (includes blood banks) – 2 percent

Industry Highlights

- Washington leading industries include dairy, fruit, biotechnology, and medical devices. Washington ranks in the top 5 nationwide in production of 29 different agricultural products. One of the largest and most diversified food and agricultural exporters.

Contracts, Partnerships & Local Activities

State Contracts: Washington Department of Agriculture

- Conduct inspections for food sanitation.
- Conduct investigations of reported violative residues in food animals at the time of slaughter.
- Conduct BSE inspections.

Washington Department of Health

- Conduct inspections of mammography facilities. Conduct inspections of new X-ray assemblies or re-assemblies.

State Partnerships

Washington Department of Agriculture

- Coordinate the regulation for food safety by work sharing, data sharing and educational exchange, including all current and future inspectional and sampling contracts.
- Coordinate the regulation of the fish and fishery products processing industry.
- Participate in a cooperative program, which encourages work sharing, data sharing, and educational exchange concerning animal feed safety.

Local Activities

- Active involvement with the Washington Food Safety Forum a coalition of Federal and State agencies and state commodity commissions established to educate and promote accurate food safety information to the media.
- Member of the Food Safety Review Council. The group works in partnership with the Department of Health in developing advisory technical interpretations of the state food service regulations and other matters.

Food and Drug Administration
Fact Sheet – Washington D.C.

FDA Presence

Resident Post: Falls Church Resident Post services Washington D.C, who reports to: Baltimore District, Baltimore, Maryland who reports to Central Region, Philadelphia, Pennsylvania.

Industry Presence in Washington D.C.

There are 262 FDA-regulated establishments in Washington D.C.

- Food establishments (includes cosmetics) - 45 percent
- Medical device and Radiological establishments - 29 percent
- Human drug establishments - 16 percent
- Biologic establishments (includes blood banks) - 10 percent

Food and Drug Administration
Fact Sheet – West Virginia

FDA Presence: 3 FDA employees in West Virginia
Resident Posts: Charleston and Morgantown
report to: Baltimore District, Baltimore, Maryland
reports to: Central Region, Philadelphia, Pennsylvania

Industry Presence in State
There are 629 FDA-regulated establishments in the State of West Virginia
Food establishments (includes cosmetics) - 47 percent
Medical device and Radiological establishments - 26 percent
Human drug establishments - 12 percent
Animal drug and feed establishments - 11 percent
Biologic establishments (includes blood banks) – 4 percent

Industry Highlights
- One of the largest producers of generic drug tablets in the country.
- Aquaculture (seafood)
- Many small acidified food producers (cottage industries)

Contracts & Partnerships

State Contracts
West Virginia Department of Health and Human Services
- Conduct inspections for food safety.
- Conduct inspections of mammography facilities.

West Virginia Department of Agriculture
- Conduct inspections of warehouses and seafood processors for food safety.
- Monitor and perform inspections of feed mills, renderers and others to assure compliance with BSE regulations.

State Partnerships
West Virginia Department of Agriculture
- Conduct inspections of fish farms and processors, collect samples and analyze for pesticide and industrial chemical residues

West Virginia Radiological Health Program
- Conduct inspections new and reassembled x-ray equipment

Food and Drug Administration
Fact Sheet – Wisconsin

FDA Presence: 23 FDA employees in Wisconsin
Resident Posts in Wisconsin: Milwaukee, Madison, Green Bay, and LaCrosse
report to: Minneapolis District, Minneapolis, Minnesota, who
reports to: Central Region: Philadelphia, Pennsylvania

Industry Presence in State
There are 3,838 FDA-regulated establishments in the State of Wisconsin
Food establishments (includes cosmetics) - 57 percent
Medical device and Radiological establishments – 17 percent
Animal drug and feed establishments - 17 percent
Human drug establishments - 8 percent
Biologic establishments (includes blood banks) -2 percent

Imports
- There are 7 ports of entry in the State of Wisconsin.
- FDA regulated import entries are primarily food, food additives, cardiovascular and radiological devices.
- The Wisconsin FDA regulated import entries are handled out of the Minneapolis District Office and the International Falls, MN, Resident Post.

Industry Highlights
- Milk & Dairy - Leads the nation in cheese and dry whey production; second in milk and butter production.
- Cranberries - Wisconsin ranks first in cranberry production.
- Low Acid Canned Foods - Ranks first in snapbeans. Significant processing includes carrots, sweet corn, green peas, cucumbers/pickles, cabbage (kraut), and beets.
- Seafood – Home of more than 90 firms that process or handle seafood.
- Agriculture – Significant production occurs for: maple syrup, mint for oil, potatoes, oats, tart cherries, corn for silage, ginseng, honey, and milk cows.
- Medical Devices – Wisconsin is the home of two major medical device manufacturers -- GE Medical Systems & General Electric Medical Systems Information Technology

Contracts & Partnerships
State Contracts
Department of Agriculture, Trade & Consumer Protection
- Conduct GMP inspections at licensed feed mills and BSE inspections at licensed and unlicensed feed facilities.
- Conduct food sanitation, seafood HACCP, and juice HACCP inspections.
- Conduct follow-up investigations of first time violators of tissue residues in food animals.

Department of Health and Social Services
- Conduct inspections of mammography facilities

State Partnerships
Wisconsin Department of Agriculture
- Food Security Awareness Training
- GMP Training for On-Farm Feed Mixers of Medicated Feed

Food and Drug Administration
Fact Sheet – Wyoming

FDA Presence

Wyoming is covered by the Denver District, Denver, Colorado, who reports to: Southwest Region, Dallas, Texas

Industry Presence in State

There are 235 FDA-regulated establishments in the State of Wyoming

- Food establishments (includes cosmetics) – 51 percent
- Human Drug establishments – 18 percent
- Medical Device and Radiological establishments – 17 percent
- Animal drug and feed establishments – 10 percent
- Biological establishments (includes blood banks) – 4 percent

Industry Highlights

- The mineral extraction industry and the travel and tourism sector are the main drivers behind Wyoming's economy.
- Wyoming's mineral commodities include coal, natural gas, coal bed methane, crude oil, and trona. Wyoming ranks highest in mining employment in the U.S.
- The main agricultural commodities produced in Wyoming include livestock (beef), hay, sugar beets, grain (wheat and barley), and wool. Over 91% of land in Wyoming is classified as rural.

Contracts, Partnerships & Local Activities

State Contracts

Wyoming Department of Agriculture

- Conduct food sanitation inspections

Wyoming Department of Health

- Conduct inspections of mammography facilities.

State Partnerships

Wyoming Department of Agriculture

- Share oversight & authority of regulated dairy manufacturing facilities.

Wyoming State Board of Pharmacy

- Conduct inspections of medical gas manufacturing facilities and share reports with the Denver District Office.

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Food and Drug Administration

Funding Levels for Major Initiatives
(Budget Authority in $000s)

FY 2004-2006

Initiative	FY 2004 Actuals	FY 2005 Enacted	FY 2006 Request
Counterterrorism-Food Defense/Security	115,660	149,952	180,026
Counterterrorism- Medical Countermeasures	52,620	57,159	57,159
White Oak Consolidation	2,361	17,846	21,974
Drug Review /1	204,775	210,221	214,905
BSE	21,479	29,566	29,566
Generic Drug Resources /2	56,422	56,228	56,228
Patient Safety	65,411	64,888	69,888
Non-Add:			
Office of Drug Safety:	*15,800*	*17,900*	*22,900*

1/FY 2005 and FY 2006 are estimates based upon economic assumptions for the FY 2006 budget.

2/Includes CDER and ORA resources. FY 2005 includes the portion of cost of living that pertains to the generic drugs program.

Food and Drug Administration
Summary of Base Resources

Summary of Base Resources for Requested Increases in FY 2005	FY 2004 Actuals[1]	FY 2005 Enacted[2]	FY 2006 Request	Requested Increase
Counterterrorism Food Defense/Security [2/]	115,660,000	149,952,000	180,026,000	30,074,000
Medical Device and Radiological Health Program [3/]	191,143,000	214,965,000	220,961,000	5,996,000
Office of Drug Safety	15,800,000	17,900,000	22,900,000	5,000,000
GSA Rent	114,354,000	113,479,000	117,579,000	4,100,000
White Oak Consolidation (also in FY 2004 and 2005 PDUFA User Fees)	2,361,000	17,846,000	21,974,000	4,128,000
Buildings and Facilities	22,504,000	-	7,000,000	7,000,000
TOTAL BA INCREASES	461,822,000	514,142,000	570,440,000	56,298,000
User Fees:				
PDUFA	232,082,000	284,394,000	305,332,000	20,938,000
White Oak Consolidation (PDUFA) (Non-Add)	*3,770,000*	*3,000,000*	-	*(3,000,000)*
MDUFMA	23,875,000	33,938,000	40,300,000	6,362,000
ADUFA	1,083,000	8,354,000	11,318,000	2,964,000
MQSA	12,716,000	16,919,000	17,173,000	254,000
Export Certification	1,806,000	1,615,000	1,639,000	24,000
Color Certification	6,128,000	5,223,000	6,001,000	778,000
TOTAL USER FEE INCREASES	277,690,000	350,443,000	381,763,000	31,320,000
TOTAL FDA INCREASES	739,512,000	864,585,000	952,203,000	87,618,000

[1/] Includes 0.59 percent rescission from FY 2004 Omnibus Appropriations.
[2/] Includes 0.80 percent rescission from FY 2005 Omnibus Appropriations.
[3/] The Medical Device and Radiological Health Program is the total for CDRH and the field estimate for the Device and Radiological Health Program. This amount is needed to meet one of the triggers for the MDUFMA program.

FOOD AND DRUG ADMINISTRATION
Summary of Changes
FY 2006 Congressional Justification Submission

	Budget Authority	User Fees	Program Level	Program Level FTE
FY 2005 Appropriated	**$1,461,792,000**	**$350,443,000**	**1,812,235,000**	**10,357**
FY 2005 Rescission	**($11,694,000)**	**$0**	**($11,694,000)**	**0**
FY 2005 Enacted [1/]	**$1,450,098,000**	**$350,443,000**	**$1,800,541,000**	**10,357**
FY 2006 Built in Changes:				
Cost of Living Increases	$36,509,000		$36,509,000	
Pay Absorptions	($36,509,000)		($36,509,000)	(251)
Subtotal: Cost of Living Changes	***$0***		***$0***	**(251)**
FY 2006 Program Changes:				
Budget Authority				
Food Defense	$30,074,000		$30,074,000	17
Medical Device Review	$5,996,000		$5,996,000	16
Office of Drug Safety	$5,000,000		$5,000,000	20
GSA Rent	$4,100,000		$4,100,000	-
FDA White Oak Consolidation	$4,128,000		$4,128,000	-
Buildings and Facilities	$7,000,000		$7,000,000	-
Administrative Efficiencies	($1,554,000)		($1,554,000)	(14)
Information Technology Reduction	($5,116,000)		($5,116,000)	(15)
Subtotal: Budget Authority Program Changes	***$49,628,000***		***$49,628,000***	***24***
Total Budget Authority Changes from FY 2005 Enacted to FY 2006 Estimate	**$49,628,000**	**$0**	**$49,628,000**	**(227)**
FY 2006 User Fee Changes:				
PDUFA ($12,700,000 for GSA rent)		$20,938,000	$20,938,000	24
MDUFMA ($3,203,000 for GSA Rent and $783,000 for Other Rent)		$6,362,000	$6,362,000	7
ADUFA ($1,371,000 for GSA Rent)		$2,964,000	$2,964,000	22
MQSA		$254,000	$254,000	(6)
Color Certification		$778,000	$778,000	-
Export Certification		$24,000	$24,000	-
Total User Fee Changes from FY 2005 Enacted to FY 2006 Estimate		**$31,320,000**	**$31,320,000**	**47**
Net Program Level Change from FY 2005 Enacted to FY 2006 Estimate	**$49,628,000**	**$31,320,000**	**$80,948,000**	**(180)**
TOTAL FDA REQUEST FOR FY 2006	**$1,499,726,000**	**$381,763,000**	**$1,881,489,000**	**10,177**

[1/] Includes a 0.80 percent rescission.

Food and Drug Administration
FY 2006 Crosswalk to Summary of Change - Budget Authority

Program	Food Defense		Medical Device Review		Office of Drug Safety		GSA Rent and Other rent and Rent Related	FDA White Oak Consolidation	Buildings and Facilities	Attrition	Administrative Efficiencies		Information Technology Reduction		Total Budget Authority Change	
	FTE	$000	FTE	$000	FTE	$000	$000	$000	$000	FTE	FTE	$000	FTE	$000	FTE	$000
Center for Food Safety and Applied Nutrition	**7**	**$4,822**	**0**	**$0**	**0**	**$0**	**$428**	**$0**	**$0**	**(16)**	**(2)**	**($232)**	**(2)**	**($773)**	**(13)**	**$4,245**
Center	*7*	*4,822*								*(16)*	*(2)*	*(232)*	*(2)*	*(773)*	*(13)*	*3,817*
GSA and Other Rent Related Activities							*428*			*0*					*-*	*428*
Center for Drug Evaluation and Research	**0**	**$0**	**0**	**$0**	**20**	**$5,000**	**$459**	**$0**	**$0**	**(11)**	**(3)**	**($301)**	**(6)**	**($1,865)**	**0**	**$3,293**
Center					*20*	*5,000*				*(11)*	*(3)*	*(301)*	*(6)*	*(1,865)*	*-*	*2,834*
GSA and Other Rent Related Activities							*459*			*0*					*-*	*459*
Center for Biologics Evaluation and Research	**0**	**$0**	**0**	**$0**	**0**	**$0**	**$60**	**$0**	**$0**	**(14)**	**(1)**	**($132)**	**(2)**	**($665)**	**(17)**	**($737)**
Center										*(14)*	*(1)*	*(132)*	*(2)*	*(665)*	*(17)*	*(797)*
GSA and Other Rent Related Activities							*60*			*0*					*-*	*60*
Center for Vetrinary Medicine	**0**	**$0**	**0**	**$0**	**0**	**$0**	**$218**	**$0**	**$0**	**(6)**	**0**	**$0**	**0**	**$0**	**(6)**	**$218**
Center										*(6)*					*(6)*	*-*
GSA and Other Rent Related Activities							*218*			*0*					*-*	*218*
Center for Devices and Radiological Health	**0**	**$0**	**3**	**$1,796**	**0**	**$0**	**$310**	**$0**	**$0**	**(20)**	**0**	**$0**	**0**	**$0**	**(17)**	**$2,106**
Center			*3*	*1,796*						*(20)*					*(17)*	*1,796*
GSA and Other Rent Related Activities			*0*	*-*			*310*			*0*					*-*	*310*
National Center for Toxicological Research	**0**	**$1,000**	**0**	**$0**	**0**	**$0**	**$0**	**$0**	**$0**	**(4)**	**(1)**	**($54)**	**0**	**$0**	**(5)**	**$946**
Center	*0*	*$1,000*								*(4)*	*(1)*	*(54)*			*(5)*	*946*
GSA and Other Rent Related Activities															*-*	*-*
Other Activities	**2**	**$1,500**	**0**	**$0**	**0**	**$0**	**150**	**0**	**0**	**(13)**	**0**	**($120)**	**(3)**	**($1,350)**	**(14)**	**$180**
Office of the Commissioner	*2*	*1,500*								*(6)*	*0*	*(72)*	*(1)*	*(125)*	*(5)*	*1,303*
Office of Management										*(7)*	*0*	*(48)*	*(2)*	*(1,225)*	*(9)*	*(1,273)*
GSA and Other Rent Related Activities							*150*								*-*	*150*
Office of Regulatory Affairs	**8**	**$22,752**	**13**	**$4,200**	**0**	**-**	**$2,475**	**$0**	**$0**	**(167)**	**(7)**	**(715)**	**(2)**	**(463)**	**(155)**	**28,249**
Foods Program Estimate	*8*	*22,752*								*(91)*	*(5)*	*(532)*	*(2)*	*(336)*	*(90)*	*21,884*
GSA and Other Rent for the Foods Program							*1,400*								*-*	*1,400*
Human Drugs Program Estimate										*(33)*	*(2)*	*(137)*		*(96)*	*(35)*	*(233)*
GSA and Other Rent for the Human Drugs Program							*349*								*-*	*349*
Biologics Program Estimate										*(10)*		*(46)*		*(31)*	*(10)*	*(77)*
GSA and Other Rent for the Biologics Program							137								*-*	*137*
Animal Drugs and Feeds Program Estimate										*(12)*					*(12)*	*-*
GSA and Other Rent for the Animal Drugs and Feeds Program							136								*-*	*136*
Devices and Radiological Health Program Estimate			*13*	*4,200*						*(21)*					*(8)*	*4,200*
GSA and Other Rent for the Devices and Radiological Health Program							453								*-*	*453*
GSA and Other Rent and Rent Related (non-add)		-		-		-	*4,100*	-	-	*0*		-		-	-	*$4,100*
FDA White Oak Consolidation		**$0**		**$0**		**$0**	**$0**	**$4,128**	**$0**	**0**		**$0**		**$0**	-	**$4,128**
Buildings and Facilities		**$0**		**$0**		**$0**	**$0**	**$0**	**$7,000**			**$0**		**$0**	-	**$7,000**
Total	**17**	**$30,074**	**16**	**$5,996**	**20**	**$5,000**	**$4,100**	**$4,128**	**$7,000**	**(251)**	**(14)**	**($1,554)**	**(15)**	**($5,116)**	**(227)**	**$49,628**

Food and Drug Administration
FY 2006 Crosswalk to Summary of Change - User Fee

Program	PDUFA		MDUFMA		ADUFA		MQSA		Export Certification		Color Certification Fund		Total User Fee Passback	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Center for Food Safety and Applied Nutrition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Center													-	-
GSA and Other Rent Related Activities													-	-
Center for Drug Evaluation and Research	**17**	**14,356**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17**	**$14,356**
Center	*17*	*14,146*											*17*	*14,146*
GSA and Other Rent Related Activities		*210*											-	*210*
Center for Biologics Evaluation and Research	**2**	**6,624**	**1**	**673**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**$7,297**
Center	*2*	*6,580*	*1*	*562*									*3*	*7,142*
GSA and Other Rent Related Activities	-	*44*	-	*111*									-	*155*
Center for Vetrinary Medicine	**-**	**-**	**-**	**-**	**18**	**2,462**	**-**	**-**	**-**	**-**	**-**	**-**	**18**	**$2,462**
Center					*18*	*1,553*							*18*	*1,553*
GSA and Other Rent Related Activities					-	*909*							-	*909*
Center for Devices and Radiological Health	**-**	**-**	**6**	**4,886**	**-**	**-**	**(6)**	**163**	**-**	**-**	**-**	**-**	**-**	**$5,049**
Center			*6*	*4,387*			*(6)*	*163*					-	*4,550*
GSA and Other Rent Related Activities			-	*499*									-	*499*
National Center for Toxicological Research	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**$0**
Center													-	-
GSA and Other Rent Related Activities													-	-
Other Activities	**4**	**$1,408**	**-**	**$495**	**4**	**$502**	**-**	**$10**	**-**	**$0**	**-**	**$0**	**8**	**$2,415**
Office of the Commissioner	-	*990*	-	*80*	*1*	*123*							*1*	*1,193*
Office of Management	*4*	*388*	-	*394*	*3*	*288*	-	*10*					*7*	*1,080*
GSA and Other Rent Related Activities	-	*30*		*21*	-	*91*							-	*142*
Office of Regulatory Affairs	**1**	**$1,550**	**-**	**$308**	**-**	**$0**	**-**	**$81**	**-**	**$0**	**-**	**$0**	**1**	**$1,939**
Foods Program Estimate													-	-
GSA and Other Rent for the Foods Program													-	-
Human Drugs Program Estimate	*1*	*887*											*1*	*887*
GSA and Other Rent for the Human Drugs Program		*9*											-	*9*
Biologics Program Estimate	-	654	-	70									-	*724*
GSA and Other Rent for the Biologics Program		-		5									-	*5*
Animal Drugs and Feeds Program Estimate													-	-
GSA and Other Rent for the Animal Drugs and Feeds Program													-	-
Devices and Radiological Health Program Estimate			-	212			-	81					-	*293*
GSA and Other Rent for the Devices and Radiological Health Program				21									-	*21*
													-	-
GSA and Other Rent and Rent Related (non add)		*293*		*657*		*1,000*		-		-		-	-	*1,950*
FDA White Oak Consolidation		**($3,000)**											**-**	**($3,000)**
Export Certification									**-**	**$24**			**-**	**24**
Color Certification											**-**	**$778**	**-**	**778**
Total	**24**	**$20,938**	**7**	**$6,362**	**22**	**$2,964**	**(6)**	**$254**	**0**	**$24**	**0**	**$778**	**47**	**$31,320**

Food and Drug Administration
FY 2006 Crosswalk to Summary of Change - Program Level
Dollars in Thousands

FY 2006 Program Level Changes	Budget Authority																User Fees													
	Food Defense		Medical Device Review		Office of Drug Safety		GSA Rent	FDA White Oak Consolidation	Buildings and Facilities	Attrition	Administrative Efficiencies		Information Technology Reduction		TOTAL BUDGET AUTHORITY REQUEST		PDUFA[1]		MDUFMA		ADUFA[2]		MQSA		Color and Export Cert. Fund	Total Current User Fees		TOTAL PROGRAM LEVEL REQUEST	
	FTE	$000	FTE	$000	FTE	$000	$000	$000	$000	FTE	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	$000	FTE	$000	FTE	$000
Center for Food Safety and Applied Nutrition	**7**	**$4,822**					**$428**			***(16)***	***(2)***	**($232)**	***(2)***	**($773)**	***(13)***	**$4,245**										0	**$0**	**(13)**	**$4,245**
Center	*7*	*4,822*								*(16)*	*(2)*	*(232)*	*(2)*	*(773)*	*(13)*	*$3,817*										*0*	*$0*	*(13)*	*$3,817*
GSA and Other Rent Related Activities							*428*			*0*						*$428*										*0*	*$0*	-	*$428*
Center for Drug Evaluation and Research					**20**	**$5,000**	**$459**			***(11)***	***(3)***	**($301)**	***(6)***	**($1,865)**	***0***	**$3,293**	***17***	**$14,356**								17	**$14,356**	**17**	**$17,649**
Center					*20*	*5,000*				*(11)*	*(3)*	*(301)*	*(6)*	*(1,865)*	*0*	*$2,834*	*17*	*14,146*								*17*	*$14,146*	*17*	*$16,980*
GSA and Other Rent Related Activities							*459*			*0*						*$459*	*0*	*210*									*$210*	-	*$669*
Center for Biologics Evaluation and Research							**$60**			***(14)***	***(1)***	**($132)**	***(2)***	**($665)**	***(17)***	**($737)**	***2***	**$6,624**	***1***	**$673**						3	**$7,297**	**(14)**	**$6,560**
Center										*(14)*	*(1)*	*(132)*	*(2)*	*(665)*	*(17)*	*($797)*	*2*	*6,580*	*1*	*562*						*3*	*$7,142*	*(14)*	*$6,345*
GSA and Other Rent Related Activities							*60*			*0*						*$60*	*0*	*44*	*0*	*111*						*0*	*$155*	-	*$215*
Center for Vetrinary Medicine							**$218**			***(6)***	***0***	**$0**	***0***	**$0**	***(6)***	**$218**					***18***	**$2,462**				18	**$2,462**	**12**	**$2,680**
Center										*(6)*	*0*	*0*			*(6)*	*$0*					*18*	*1,553*				*18*	*$1,553*	*12*	*$1,553*
GSA and Other Rent Related Activities							*218*			*0*						*$218*					*0*	*909*				*0*	*909*	-	*$1,127*
Center for Devices and Radiological Health			**3**	**$1,796**			**$310**			***(20)***	***0***	**$0**	***0***	**$0**	***(17)***	**$2,106**			***6***	**$4,886**			***(6)***	**$163**		0	**$5,049**	**(17)**	**$7,155**
Center			*3*	*1,796*						*(20)*	*0*	*0*			*(17)*	*$1,796*			*6*	*4,387*			*(6)*	*163*		*0*	*$4,550*	*(17)*	*$6,346*
GSA and Other Rent Related Activities							*310*			*0*						*$310*			*0*	*499*			*0*	*0*		*0*	*499*	-	*$809*
National Center for Toxicological Research	**0**	**$1,000**					**$0**			***(4)***	***(1)***	**($54)**	***0***	**$0**	***(5)***	**$946**										0	**$0**	**(5)**	**$946**
Center	*0*	*1,000*								*(4)*	*(1)*	*(54)*			*(5)*	*$946*										*0*	*-*	*(5)*	*$946*
GSA and Other Rent Related Activities							*0*			*0*						*$0*										*0*	*$0*	-	*$0*
Other Activities	**2**	**$1,500**					**$150**			***(13)***	***0***	**($120)**	***(3)***	**($1,350)**	***(14)***	**$180**	***4***	**$1,408**	***0***	**$495**	***4***	**$502**	***0***	**$10**		8	**$2,415**	**(6)**	**$2,595**
Office of the Commissioner	*2*	*1,500*								*(6)*	*0*	*(72)*	*(1)*	*(125)*	*(5)*	*$1,303*	*0*	*990*	*0*	*80*	*1*	*123*				*1*	*$1,193*	*(4)*	*$2,496*
Office of Management										*(7)*	*0*	*(48)*	*(2)*	*(1,225)*	*(9)*	*($1,273)*	*4*	*388*	*0*	*394*	*3*	*288*	*0*	*10*		*7*	*$1,080*	*(2)*	*($193)*
GSA and Other Rent Related Activities							*150*									*$150*	*0*	*30*	*0*	*21*	*0*	*91*				*0*	*$142*	-	*$292*
Office of Regulatory Affairs	**8**	**$22,752**	**13**	**$4,200**			**$2,475**			***(167)***	***(7)***	**($715)**	***(2)***	**($463)**	***(155)***	**$28,249**	***1***	**$1,550**	***0***	**$308**			***0***	**$81**		1	**$1,939**	**(154)**	**$30,188**
Foods Program Estimate	*8*	*22,752*								*(91)*	*(5)*	*(532)*	*(2)*	*(336)*	*(90)*	*$21,884*										*0*	*$0*	*(90)*	*$21,884*
GSA and Other Rent for the Foods Program							*1,400*								*0*	*$1,400*										*0*	*$0*	-	*$1,400*
Human Drugs Program Estimate										*(33)*	*(2)*	*(137)*	*0*	*(96)*	*(35)*	*($233)*	*1*	*887*								*1*	*$887*	*(34)*	*$654*
GSA and Other Rent for the Human Drugs Program							*349*								*0*	*$349*		*9*								*0*	*$9*	-	*$358*
Biologics Program Estimate										*(10)*	*0*	*(46)*	*0*	*(31)*	*(10)*	*($77)*		*654*	*0*	*70*						*0*	*$724*	*(10)*	*$647*
GSA and Other Rent for the Biologics Program							*137*								*0*	*$137*				*5*						*0*	*$5*	-	*$142*
Animal Drugs and Feeds Program Estimate										*(12)*					*(12)*	*$0*										*0*	*$0*	*(12)*	*$0*
GSA and Other Rent for the Animal Drugs and Feeds Program							*136*								*0*	*$136*										*0*	*$0*	-	*$136*
Devices and Radiological Health Program Estimate			*13*	*4,200*						*(21)*					*(8)*	*$4,200*				*212*			*0*	*81*		*0*	*293*	*(8)*	*$4,493*
GSA and Other Rent for the Devices and Radiological Health Program							*453*								*0*	*$453*				*21*						*0*	*21*	-	*$474*
GSA and Other Rent and Rent Related (non add)							*4,100*											*293*				*1,000*				*0*	*$1,293*	-	*$1,293*
FDA White Oak Consolidation								*4,128*								**$4,128**		*(3,000)*								0	**($3,000)**	**-**	**$1,128**
Export Certification																									**$24**	0	**$24**	**-**	**$24**
Color Certification																									**$778**	0	**$778**	**-**	**$778**
Buildings and Facilities									**$7,000**							**$7,000**										0	**$0**	**-**	**$7,000**
Total	**17**	**$30,074**	**16**	**$5,996**	**20**	**$5,000**	**$4,100**	**$4,128**	**$7,000**	**(251)**	**(14)**	**($1,554)**	**(15)**	**($5,116)**	**(227)**	**$49,628**	**24**	**$20,938**	**7**	**$6,362**	**22**	**$2,964**	**(6)**	**$254**	**$24**	**47**	**$31,320**	**(180)**	**$80,948**

Food and Drug Administration
ALL PURPOSE TABLE - Budget Authority
(Dollars in Thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses:								
Center for Food Safety & Applied Nutrition	**910**	**$167,534**	**901**	**$167,332**	**894**	**$175,189**	**881**	**$179,434**
Center for Food Safety & Applied Nutrition	*910*	*144,366*	*901*	*143,958*	*894*	*152,002*	*881*	*155,819*
GSA Rent and Rent Related Activities		*23,168*		*23,374*		*23,187*	*0*	*23,615*
Center for Drug Evaluation and Research	**1,218**	**$229,372**	**1,445**	**$230,882**	**1,380**	**$230,588**	**1,380**	**$233,881**
Center for Drug Evaluation and Research	*1,218*	*210,828*	*1,445*	*210,661*	*1,380*	*210,529*	*1,380*	*213,363*
GSA Rent and Rent Related Activities		*18,544*		*20,221*		*20,059*	0	*20,518*
Center for Biologics Evaluation and Research	**559**	**$103,537**	**575**	**$102,392**	**565**	**$102,869**	**548**	**$102,132**
Center for Biologics Evaluation and Research	*559*	*96,265*	*575*	*96,365*	*565*	*96,890*	*548*	*96,093*
GSA Rent and Rent Related Activities		*7,272*	-	*6,027*		*5,979*	0	*6,039*
Center for Veterinary Medicine	**346**	**$66,573**	**315**	**$66,960**	**315**	**$67,551**	**309**	**$67,769**
Center for Veterinary Medicine	*346*	*54,530*	*315*	*54,602*	*315*	*55,292*	*309*	*55,292*
GSA Rent and Rent Related Activities		*12,043*	-	*12,358*		*12,259*	0	*12,477*
Center for Devices and Radiological Health	**935**	**$156,961**	**971**	**$158,904**	**1,003**	**$180,948**	**986**	**$183,054**
Center for Devices and Radiological Health	*935*	*140,646*	*971*	*141,059*	*1,003*	*163,246*	*986*	*165,042*
GSA Rent and Rent Related Activities		*16,315*	-	*17,845*		*17,702*	0	*18,012*
National Center for Toxicological Research	**207**	**$39,869**	**233**	**$39,883**	**225**	**$40,435**	**220**	**$41,381**
National Center for Toxicological Research	*207*	*39,652*	*233*	*39,652*	*225*	*$40,206*	220	41,152
Rent Related Activities		*217*	-	*231*		*229*	0	*229*
Office of Regulatory Affairs	**3,817**	**$513,906**	**3,769**	**$512,520**	**3,582**	**$540,144**	**3,427**	**$568,393**
Foods Program Estimate	*2,172*	*262,686*	*2,063*	*263,099*	*2,056*	*283,524*	*1,966*	*305,408*
GSA and Other Rent for the Foods Program	-	*36,655*	-	*34,500*	-	*35,890*	*0*	*37,290*
Human Drugs Program Estimate	*725*	*81,290*	*757*	*81,459*	*670*	*80,959*	*635*	*80,726*
GSA and Other Rent for the Human Drugs Program	-	*12,235*	-	*12,660*	-	*11,695*	*0*	*12,044*
Biologics Program Estimate	*233*	*26,089*	*229*	*25,991*	*216*	*26,222*	*206*	*26,145*
GSA and Other Rent for the Biologics Program	-	*3,932*	-	*3,830*	-	*3,770*	*0*	*3,907*
Animal Drugs and Feeds Program Estimate	*246*	*28,928*	*263*	*28,856*	*240*	*35,194*	*228*	*35,194*
GSA and Other Rent for the Animal Drugs and Feeds Program	-	*4,152*	-	*4,397*	-	*4,189*	*0*	*4,325*
Devices and Radiological Health Program Estimate	*441*	*50,497*	*457*	*50,085*	*400*	*51,719*	*392*	*55,919*
GSA and Other Rent for the Devices and Radiological Health Program	-	*7,442*	-	*7,643*	-	*6,982*	*0*	*7,435*
Other Activities	**575**	**$98,597**	**644**	**$97,545**	**597**	**$94,528**	**583**	**94,708**
Office of the Commissioner	*344*	*42,932*	*332*	*42,460*	*311*	*41,894*	*306*	*43,197*
Office of Management	*231*	*40,371*	*312*	*40,852*	*286*	*38,515*	*277*	*37,242*
Central Services		*6,872*	-	*6,878*	-	*6,823*	*0*	*6,823*
GSA Rent and Rent Related Activities		*8,422*	-	*7,355*		*7,296*	*0*	*7,446*
FDA Consolidation at White Oak		**$2,361**		**$2,361**		**$17,846**		**21,974**
Other Rent and Rent Related Activities (non add)		*$36,043*	-	*$36,047*		*$35,758*		*$35,758*
GSA Rental Payments (non add)		*$114,354*	-	*$114,394*		*$113,479*	*0*	*$117,579*
TOTAL, Salaries & Expenses	**8,567**	**$1,378,710**	**8,853**	**$1,378,779**	**8,561**	**$1,450,098**	**8,334**	**$1,492,726**
Buildings and Facilities		**$22,504**	**-**	**$6,959**	**-**	**-**	**0**	**7,000**
TOTAL Budget Authority	**8,567**	**$1,401,214**	**8,853**	**$1,385,738**	**8,561**	**$1,450,098**	**8,334**	**$1,499,726**

Food and Drug Administration
ALL PURPOSE TABLE - User Fees
(Dollars in thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses, Definite Appropriations:								
Prescription Drug User Fee Act (PDUFA):								
Center for Drug Evaluation and Research	**972**	**$167,119**	**904**	**$179,156**	**1015**	**$208,696**	**1,032**	**$223,052**
Center for Drug Evaluation and Research	*972*	*162,653*	*904*	*172,954*	*1,015*	*199,762*	*1,032*	*213,908*
GSA Rent and Rent Related Activities		*4,466*	**-**	*6,202*	**-**	*8,934*	*0*	*9,144*
Center for Biologics Evaluation and Research	**217**	**$41,181**	**214**	**$38,357**	**214**	**$40,214**	**216**	**$46,838**
Center for Biologics Evaluation and Research	*217*	*40,170*	*214*	*37,049*	*214*	*38,353*	*216*	*44,933*
GSA Rent and Rent Related Activities		*1,011*	**-**	*1,308*	**-**	*1,861*	*0*	*1,905*
Office of Regulatory Affairs	**41**	**$5,808**	**69**	**$10,572**	**40**	**$7,506**	**41**	**$9,056**
Human Drugs Program Estimate	*34*	*4,821*	*64*	*9,106*	*28*	*5,046*	*29*	*5,933*
GSA and Other Rent for the Human Drugs Program	**-**	**-**	**-**	*226*	**-**	*260*	**-**	*269*
Biologics Program Estimate	*7*	*987*	*5*	*1,222*	*12*	*2,088*	*12*	*2,742*
GSA and Other Rent for the Biologics Program	**-**	**-**	**-**	*18*	**-**	*112*	**-**	*112*
Other Activities (PDUFA)	**122**	**$14,204**	**145**	**$21,740**	**146**	**$24,978**	**150**	**$26,386**
Office of the Commissioner	*63*	*7,658*	*75*	*12,338*	*75*	*14,021*	*75*	*15,011*
Office of Management	*59*	*5,877*	*70*	*8,510*	*71*	*9,717*	*75*	*10,105*
GSA Rent and Rent Related Activities		*669*	**-**	*892*	**-**	*1,240*	*0*	*1,270*
FDA Consolidation at White Oak		**3,770**	**-**	**-**	**-**	**3,000**		
GSA Rent (PDUFA) (non-add)	*-*	*$6,146*	*-*	*$8,646*	*-*	*$12,407*	*0*	*$12,700*
Subtotal PDUFA	**1,352**	**$232,082**	**1,332**	**$249,825**	**1,415**	**$284,394**	**1,439**	**$305,332**
Medical Device User Fee and Modernization Act (MDUFMA):								
Center for Biologics Evaluation and Research	**21**	**$3,673**	**33**	**$7,835**	**36**	**$8,395**	**37**	**$9,068**
Center for Biologics Evaluation and Research	*21*	*3,437*	*33*	*7,322*	*36*	*7,850*	*37*	*8,412*
GSA Rent and Rent Related Activities		*236*	*0*	*513*	*0*	*545*	*0*	*656*
Center for Devices and Radiological Health	**100**	**$18,245**	**136**	**$18,755**	**152**	**$20,086**	**158**	**$24,972**
Center for Devices and Radiological Health	*100*	*17,253*	*136*	*16,590*	*152*	*17,786*	*158*	*22,173*
GSA Rent and Rent Related Activities		*992*	*0*	*2,165*	*0*	*2,300*	*0*	*2,799*
Office of Regulatory Affairs	**6**	**$676**	**8**	**$991**	**10**	**$1,063**	**10**	**$1,371**
Biologics Program Estimate	*1*	*68*	*1*	*297*	*2*	*319*	*2*	*389*
GSA and Other Rent for the Biologics Program	*-*	*-*	*-*	*18*	*-*	*30*	*-*	*35*
Devices and Rad. Health Program Estimate	*5*	*608*	*7*	*552*	*8*	*593*	*8*	*805*
GSA and Other Rent for the Devices and Radiological Health Program	*-*	*-*	*-*	*124*	*-*	*121*	*-*	*142*
Other Activities (MDUFMA)	**10**	**1,281**	**20**	**$4,073**	**22**	**$4,394**	**22**	**$4,889**
Office of the Commissioner	*3*	*384*	*5*	*1,076*	*6*	*1,153*	*6*	*1,233*
Office of Management	*7*	*758*	*15*	*2,712*	*16*	*2,908*	*16*	*3,302*
GSA Rent and Rent Related Activities		*139*		*285*		*333*	*0*	*354*
Other Rent and Rent Related Activities (MDUFMA) (non-add)		*$287*	*-*	*$640*	*-*	*$686*	*0*	*$783*
GSA Rental Payments (MDUFMA) (non-add)		*$1,080*	*-*	*$2,465*	*-*	*$2,643*	*0*	*$3,203*
Subtotal (MDUFMA)	**137**	**$23,875**	**197**	**$31,654**	**220**	**$33,938**	**227**	**$40,300**
Animal Drug User Fee Act (ADUFA):				**$31,654**				
Center for Veterinary Medicine	**3**	**$1,083**	**40**	**$5,000**	**58**	**$8,107**	**76**	**$10,569**
Center for Veterinary Medicine	*3*	*$983*	*40*	*$4,750*	*58*	*7,748*	*76*	*9,301*
GSA Rent and Rent Related Activities		*100*		*250*		*359*	*0*	*1,268*
Other Activities (ADUFA)			**-**	**-**	**2**	**$247**	**6**	**$749**
Office of the Commissioner							*1*	*123*
Office of Management			**-**	**-**	*2*	*235*	*5*	*523*
GSA Rent and Rent Related Activities			*0*	*-*		*12*	*0*	*103*
GSA Rental Payments (ADUFA) (non-add)		**$100**	**-**	**$250**	*-*	**$371**	*0*	*$1,371*
Subtotal (ADUFA)	**3**	**$1,083**	**40**	**$5,000**	**60**	**$8,354**	**82**	**$11,318**
Total Definite Appropriations	**1,492**	**$257,040**	**1,569**	**$286,479**	**1,695**	**$326,686**	**1,748**	**$356,950**
Indefinite Appropriations:								
Mammography Quality and Standards Act (MQSA):								
Center for Devices and Radiological Health	**$26**	**$4,039**	**32**	**$5,069**	**32**	**$5,174**	**26**	**$5,337**
Center for Devices and Radiological Health	*26*	*4,039*	*32*	*5,069*	*32*	*5,174*	*26*	*5,337*
Office of Regulatory Affairs	**8**	**$8,463**	**16**	**$11,309**	**16**	**$11,543**	**16**	**$11,624**
Devices and Rad. Health Program Estimate	*8*	*8,463*	*16*	*11,309*	*16*	*11,543*	*16*	*11,624*
Other Activities - Office of Management and Systems (MQSA)	**2**	**$214**	**2**	**$198**	**2**	**$202**	**2**	**$212**
Office of Management and Systems	*2*	*214*	*2*	*198*	*2*	*202*	*2*	*212*
Subtotal (MQSA)	**36**	**$12,716**	**50**	**$16,576**	**50**	**$16,919**	**44**	**$17,173**
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**$1,639**
Color Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
Total Indefinite Appropriations	**82**	**$20,650**	**101**	**$23,225**	**101**	**$23,757**	**95**	**$24,813**
Total User Fees	**1,574**	**$277,690**	**1,670**	**$309,704**	**1,796**	**$350,443**	**1,843**	**$381,763**

Note: Does not contain Reimbursable resources. In FY 2004 actuals the reimbursable FTE level was 69, and FY 2005 and FY 2006 is estimated at 65.

Food and Drug Administration
ALL PURPOSE TABLE - Total Program Level
(Dollars in Thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses:								
Center for Food Safety & Applied Nutrition	**910**	**$167,534**	**901**	**$167,332**	**894**	**$175,189**	**881**	**$179,434**
Center for Food Safety & Applied Nutrition	*910*	*$144,366*	*901*	*$143,958*	*894*	*$152,002*	*881*	*155,819*
GSA Rent and Rent Related Activities	-	*23,168*	-	*23,374*	-	*23,187*	*0*	*23,615*
Center for Drug Evaluation and Research	**2,190**	**$396,491**	**2,349**	**$410,038**	**2,395**	**$439,284**	**2,412**	**$456,933**
Center for Drug Evaluation and Research	*2,190*	*$373,481*	*2,349*	*$383,615*	*2,395*	*$410,291*	*2,412*	*427,271*
GSA Rent and Rent Related Activities	-	*23,010*	-	*26,423*	-	*28,993*	*0*	*29,662*
Center for Biologics Evaluation and Research	**797**	**$148,391**	**822**	**$148,584**	**815**	**$151,478**	**801**	**$158,038**
Center for Biologics Evaluation and Research	*797*	*$139,872*	*822*	*$140,736*	*815*	*$143,093*	*801*	*149,438*
GSA Rent and Rent Related Activities	-	*8,519*	-	*7,848*	-	*8,385*	*0*	*8,600*
Center for Veterinary Medicine	**349**	**$67,656**	**355**	**$71,960**	**373**	**$75,658**	**385**	**$78,338**
Center for Veterinary Medicine	*349*	*$55,513*	*355*	*$59,352*	*373*	*$63,040*	*385*	*64,593*
GSA Rent and Rent Related Activities		*$12,143*		*$12,608*		*$12,618*	*0*	*13,745*
Center for Devices and Radiological Health	**1,061**	**$179,245**	**1,139**	**$182,728**	**1,187**	**$206,208**	**1,170**	**$213,363**
Center for Devices and Radiological Health	*1,061*	*$161,938*	*1,139*	*$162,718*	*1,187*	*$186,206*	*1,170*	*192,552*
GSA Rent and Rent Related Activities	-	*17,307*	-	*20,010*	-	*20,002*	*0*	*20,811*
National Center for Toxicological Research	**207**	**$39,869**	**233**	**$39,883**	**225**	**$40,435**	**220**	**41,381**
National Center for Toxicological Research	*207*	*39,652*	*233*	*39,652*	*225*	*40,206*	220	41,152
Rent Related Activities		*217*		*231*		*229*	0	229
Field Activities Total	**3,872**	**$528,853**	**3,862**	**$535,392**	**3,648**	**$560,256**	**3,494**	**$590,444**
Foods Program Estimate	*2,172*	*$262,686*	*2,063*	*$263,099*	*2,056*	*$283,524*	*1,966*	*305,408*
GSA and Other Rent for the Foods Program	-	*$36,655*	-	*$34,500*	-	*$35,890*	-	*$37,290*
Human Drugs Program Estimate	*759*	*$86,111*	*821*	*$90,565*	*698*	*$86,005*	*664*	*86,659*
GSA and Other Rent for the Human Drugs Program	-	*$12,235*	-	*$12,886*	-	*$11,955*	-	*$12,313*
Biologics Program Estimate	*241*	*27,144*	*235*	*27,510*	*230*	*28,629*	*220*	*29,276*
GSA and Other Rent for the Biologics Program	-	*3,932*	-	*3,866*	-	*3,912*	-	*4,054*
Animal Drugs and Feeds Program Estimate	*246*	*$28,928*	*263*	*$28,856*	*240*	*$35,194*	*228*	*35,194*
GSA and Other Rent for the Animal Drugs and Feeds Program	-	*$4,152*	-	*$4,397*	-	*$4,189*	-	*$4,325*
Devices and Radiological Health Program Estimate	*454*	*$59,568*	*480*	*$61,946*	*424*	*$63,855*	*416*	*68,348*
GSA and Other Rent for the Devices and Radiological Health Program	-	*$7,442*	-	*$7,767*	-	*7,103*	-	*7,577*
Other Activities	**709**	**$114,296**	**811**	**$123,556**	**769**	**$124,349**	**763**	**126,944**
Office of the Commissioner	*410*	*$50,974*	*412*	*$55,874*	*392*	*$57,068*	*388*	*59,564*
Office of Management	*299*	*47,220*	*399*	*52,272*	*377*	*51,577*	*375*	*51,384*
Central Services	-	*6,872*	-	*6,878*	-	*6,823*	-	*$6,823*
GSA Rent and Rent Related Activities	-	9,230	-	8,532	-	*8,881*	-	9,173
FDA Consolidation at White Oak	**-**	**$6,131**	**-**	**$2,361**	**-**	**$20,846**	**-**	**$21,974**
GSA and Other Rent and Rent Related Activities (non-add)	**-**	**$158,010**	**-**	**$162,442**	**-**	**$165,344**	**-**	**$171,394**
GSA Rent (non-add)		*121,680*		*125,755*		*128,900*		*134,853*
Other Rent and Rent Related Activities (non-add)		*36,330*		*36,687*		*36,444*		*36,541*
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**$1,639**
Color Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
TOTAL, Salaries & Expenses	**10,141**	**$1,656,400**	**10,523**	**$1,688,483**	**10,357**	**$1,800,541**	**10,177**	**$1,874,489**
Buildings and Facilities	**-**	**$22,504**	**-**	**$6,959**	**-**	**-**	**-**	**$7,000**
Total Program Level	**10,141**	**$1,678,904**	**10,523**	**$1,695,442**	**10,357**	**$1,800,541**	**10,177**	**$1,881,489**
Less User Fees:								
Current Law:								
Prescription Drug User Fee Act (PDUFA)	**1,352**	**232,082**	**1,332**	**249,825**	**1,415**	**284,394**	**1,439**	**305,332**
Medical Devices (MDUFMA)	**137**	**$23,875**	**197**	**$31,654**	**220**	**$33,938**	**227**	**$40,300**
Animal Drugs (ADUFA)	**3**	**$1,083**	**40**	**$5,000**	**60**	**$8,354**	**82**	**$11,318**
Mammography Quality Standards Act (MQSA)	**36**	**$12,716**	**50**	**$16,576**	**50**	**$16,919**	**44**	**$17,173**
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**$1,639**
Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
SUBTOTAL User Fees	**1,574**	**$277,690**	**1,670**	**$309,704**	**1,796**	**$350,443**	**1,843**	**$381,763**
Total Budget Authority	**8,567**	**$1,401,214**	**8,853**	**$1,385,738**	**8,561**	**$1,450,098**	**8,334**	**$1,499,726**

Note: Does not contain Reimbursable resources. In FY 2004 actuals the reimbursable FTE level was 69, and FY 2005 and FY 2006 is estimated at 65

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Food and Drug Administration
Comparable: FY 2006 Crosswalk to Summary of Change - Budget Authority

Program	Food Defense		Medical Device Review		Office of Drug Safety		GSA Rent and Other Rent and Rent Related	FDA White Oak Consolidation	Buildings and Facilities	Attrition	Administrative Efficiencies		Information Technology Reduction		Total Budget Authority Change	
	FTE	$000	FTE	$000	FTE	$000	$000	$000	$000	FTE	FTE	$000	FTE	$000	FTE	$000
Foods	**15**	**$27,574**	**0**	**$0**	**0**	**$0**	**$0**	**$0**	**$0**	**(107)**	**(7)**	**($764)**	**(4)**	**($1,109)**	**(103)**	**$25,701**
Center	*7*	*4,822*								*(16)*	*(2)*	*(232)*	*(2)*	*(773)*	*(13)*	*3,817*
Field Activities	*8*	*22,752*								*(91)*	*(5)*	*(532)*	*(2)*	*(336)*	*(90)*	*21,884*
Human Drugs	**0**	**$0**	**0**	**$0**	**20**	**$5,000**	**$0**	**$0**	**$0**	**(44)**	**(5)**	**($438)**	**(6)**	**($1,961)**	**(35)**	**$2,601**
Center					*20*	*5,000*				*(11)*	*(3)*	*(301)*	*(6)*	*(1,865)*	*-*	*2,834*
Field Activities										*(33)*	*(2)*	*(137)*	*0*	*(96)*	*(35)*	*(233)*
Biologics	**0**	**$0**	**0**	**$0**	**0**	**$0**	**$0**	**$0**	**$0**	**(24)**	**(1)**	**($178)**	**(2)**	**($696)**	**(27)**	**($874)**
Center										*(14)*	*(1)*	*(132)*	*(2)*	*(665)*	*(17)*	*(797)*
Field Activities										*(10)*		*(46)*	*0*	*(31)*	*(10)*	*(77)*
Animal Drugs and Feeds	**0**	**$0**	**0**	**$0**	**0**	**$0**	**$0**	**$0**	**$0**	**(18)**	**0**	**$0**	**0**	**$0**	**(18)**	**$0**
Center										*(6)*			*0*	*-*	*(6)*	*-*
Field Activities										*(12)*			*0*	*-*	*(12)*	*-*
Devices and Radiological Health	**0**	**$0**	**16**	**$5,996**	**0**	**$0**	**$0**	**$0**	**$0**	**(41)**	**0**	**$0**	**0**	**$0**	**(25)**	**$5,996**
Center			*3*	*1,796*						*(20)*			*0*	*-*	*(17)*	*1,796*
Field Activities			*13*	*4,200*						*(21)*			*0*	*-*	*(8)*	*4,200*
NCTR	**0**	**$1,000**	**0**	**$0**	**0**	**$0**	**$0**	**$0**	**$0**	**(4)**	**(1)**	**($54)**	**0**	**$0**	*(5)*	*946*
Other Activities	**2**	**$1,500**	**0**	**$0**	**0**	**$0**	**0**	**0**	**0**	**(13)**	**0**	**($120)**	**(3)**	**($1,350)**	**(14)**	**30**
Office of the Commissioner	*2*	*1,500*								*(6)*	*-*	*(72)*	*(1)*	*(125)*	*(5)*	*1,303*
Office of Management										*(7)*	*-*	*(48)*	*(2)*	*(1,225)*	*(9)*	*(1,273)*
GSA and Other Rent and Rent Related		**-**				**-**	**4,100**	**-**	**-**						*-*	*4,100*
FDA White Oak Consolidation		**$0**		**$0**		**$0**	**$0**	**$4,128**	**$0**					**$0**	*-*	*4,128*
Buildings and Facilities		**$0**		**$0**		**$0**	**$0**	**$0**	**$7,000**					**$0**	*-*	*7,000*
Salaries & Expenses Increases	**17**	**$ 30,074**	**16**	**$ 5,996**	**20**	**$ 5,000**	**$ 4,100**	**$ 4,128**	**$ 7,000**	**(251)**	**(14)**	**(1,554)**	**(15)**	**(5,116)**	**(227)**	**49,628**
Non-Field	*9*	*7,322*	*3*	*1,796*	*20*	*5,000*	*-*	*-*	*-*	*(84)*	*(7)*	*(839)*	*(13)*	*(4,653)*	*(72)*	*8,626*
Field	*8*	*22,752*	*13*	*4,200*	*0*	*-*	*-*	*-*	*-*	*(167)*	*(7)*	*(715)*	*(2)*	*(463)*	*(155)*	*25,774*
Rent/Buildings and Facilities	*0*	*0*	*0*	*-*	*-*	*-*	*4,100*	*4,128*	*7,000*	*0*	*-*	*-*	*-*	*-*	*-*	*15,228*
Total	**17**	**$30,074**	**16**	**$5,996**	**20**	**$5,000**	**$ 4,100**	**$4,128**	**$7,000**	**(251)**	**(14)**	**($1,554)**	**(15)**	**($5,116)**	**(227)**	**$49,628**

Food and Drug Administration
Comparable: FY 2006 Crosswalk to Summary of Change - User Fee

Program	PDUFA		MDUFMA		ADUFA		MQSA		Export Certification		Color Certification Fund		Total User Fee Passback	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Foods	-	$0	-	$0	-	$0	-	$0	-	$0	-	$0	0	$0
Center													*0*	*-*
Field Activites													*0*	*-*
Human Drugs	18	$15,033	-	$0	-	$0	-	$0	-	$0	-	$0	18	$15,033
Center	*17*	*14,146*											*17*	*14,146*
Field Activities	*1*	*887*											*1*	*887*
Biologics	2	$7,234	1	$632	-	$0	-	$0	-	$0	-	$0	3	$7,866
Center	*2*	*6,580*	*1*	*562*									*3*	*7,142*
Field Activities	*-*	*654*	*-*	*70*									*0*	*724*
Animal Drugs and Feeds	-	$0	-	$0	18	$1,553	-	$0	-	$0	-	$0	18	$1,553
Center					*18*	*1,553*							*18*	*1,553*
Field Activities					*-*	*-*							*0*	*-*
Devices and Radiological Health	-	$0	6	$4,599	-	$0	(6)	$244	-	$0	-	$0	0	$4,843
Center			*6*	*4,387*			*(6)*	*163*					*0*	*4,550*
Field Activities			*-*	*212*			*-*	*81*					*0*	*293*
NCTR	-	$0	-	$0	-	$0	-	$0	-	$0	-	$0	0	$0
Other Activities	4	$1,378	-	$474	4	$411	-	$10	-	$0	-	$0	8	$2,273
Office of the Commissioner	*-*	*990*	*-*	*80*	*1*	*123*	*-*	*-*					*1*	*1,193*
Office of Management	*4*	*388*	*-*	*394*	*3*	*288*	*-*	*10*					*7*	*1,080*
GSA and Other Rent and Rent Related (non add)		$293		657		$1,000							0	1,950
FDA White Oak Consolidation		($3,000)											0	(3,000)
Export Certification									-	$24			0	24
Color Certification											-	$778	0	778
TOTAL	24	$20,938	7	$6,362	22	$2,964	(6)	$254	-	$24	-	$778	47	31,320
Non-Field	***23***	***22,104***	***7***	***5,423***	***22***	***1,964***	***(6)***	***173***	***-***	***24***	***-***	***778***	***46***	***30,466***
Field	***1***	***1,541***	***-***	***282***	***-***	***-***	***-***	***81***	***-***	***-***	***-***	***-***	***1***	***1,904***
Rent/B&F	***-***	***(2,707)***	***-***	***657***	***-***	***1,000***	***-***	***-***	***-***	***-***	***-***	***-***	***0***	***(1,050)***
Total	24	$20,938	7	$6,362	22	$2,964	(6)	$254	0	$24	0	$778	47	$31,320

Food and Drug Administration
Comparable: FY 2006 Crosswalk to Summary of Change - Program Level
Dollars in Thousands

FY 2006 Program Level Changes	Budget Authority																User Fees													
	Food Defense		Medical Device Review		Office of Drug Safety		GSA Rent	FDA White Oak Consolidation	Buildings and Facilities	Attrition	Administrative Efficiencies		Information Technology Reduction		TOTAL BUDGET AUTHORITY REQUEST		PDUFA[1]		MDUFMA		ADUFA[2]		MQSA		Color and Export Cert. Fund	Total Current User Fees		TOTAL PROGRAM LEVEL REQUEST	
	FTE	$000	FTE	$000	FTE	$000	$000	$000	$000	FTE	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	$000	FTE	$000	FTE	$000
Foods	**15**	**$27,574**					**$0**			***(107)***	***(7)***	***($764)***	***(4)***	***($1,109)***	***(103)***	***$25,701***										0	**$0**	**(103)**	**$25,701**
Center	*7*	*4,822*								*(16)*	*(2)*	*(232)*	*(2)*	*(773)*	*(13)*	*$3,817*										*0*	*$0*	*(13)*	*$3,817*
Field Activities	*8*	*22,752*								*(91)*	*(5)*	*(532)*	*(2)*	*(336)*	*(90)*	*$21,884*										*0*	*$0*	*(90)*	*$21,884*
Human Drugs					**20**	**$5,000**	**$0**			***(44)***	***(5)***	***($438)***	***(6)***	***($1,961)***	***(35)***	***$2,601***	***18***	**$15,033**								18	**$15,033**	**(17)**	**$17,634**
Center					*20*	*5,000*				*(11)*	*(3)*	*(301)*	*(6)*	*(1,865)*	*0*	*$2,834*	*17*	*14,146*								*17*	*$14,146*	*17*	*$16,980*
Field Activities										*(33)*	*(2)*	*(137)*	*0*	*(96)*	*(35)*	*($233)*	*1*	*887*								*1*	*$887*	*(34)*	*$654*
Biologics							**$0**			***(24)***	***(1)***	***($178)***	***(2)***	***($696)***	***(27)***	***($874)***	***2***	**$7,234**	***1***	**$632**						3	**$7,866**	**(24)**	**$6,992**
Center										*(14)*	*(1)*	*(132)*	*(2)*	*(665)*	*(17)*	*($797)*	*2*	*6,580*	*1*	*562*						*3*	*$7,142*	*(14)*	*$6,345*
Field Activities										*(10)*	*0*	*(46)*	*0*	*(31)*	*(10)*	*($77)*	*0*	*654*	*0*	*70*						*0*	*$724*	*(10)*	*$647*
Animal Drugs and Feeds							**$0**			***(18)***	***0***	***$0***	***0***	***$0***	***(18)***	***$0***					***18***	**$1,553**				18	**$1,553**	**-**	**$1,553**
Center										*(6)*	*0*	*0*	*0*	*0*	*(6)*	*$0*					*18*	*1,553*				*18*	*$1,553*	*12*	*$1,553*
Field Activities										*(12)*	*0*	*0*	*0*	*0*	*(12)*	*$0*					*0*	*0*				*0*	*$0*	*(12)*	*$0*
Devices and Radiological Health			**16**	**$5,996**			**$0**			***(41)***	***0***	***$0***	***0***	***$0***	***(25)***	***$5,996***			***6***	**$4,599**			***(6)***	**$244**		0	**$4,843**	**(25)**	**$10,839**
Center			*3*	*1,796*						*(20)*	*0*	*0*	*0*	*0*	*(17)*	*$1,796*			*6*	*4,387*			*(6)*	*163*		*0*	*$4,550*	*(17)*	*$6,346*
Field Activities			*13*	*4,200*						*(21)*	*0*	*0*	*0*	*0*	*(8)*	*$4,200*			*0*	*212*			*0*	*81*		*0*	*$293*	*(8)*	*$4,493*
NCTR	**0**	**$1,000**					**$0**			***(4)***	***(1)***	***($54)***	***0***	***$0***	**(5)**	**$946**										**0**	**$0**	**(5)**	**$946**
Other Activities	**2**	**$1,500**					**$0**			***(13)***	***0***	***($120)***	***(3)***	***($1,350)***	***(14)***	***$30***	***4***	**$1,378**	***0***	**$474**	***4***	**$411**	***0***	**$10**		8	**$2,273**	**(6)**	**$2,303**
Office of the Commissioner	*2*	*1,500*								*(6)*	*0*	*(72)*	*(1)*	*(125)*	*(5)*	*$1,303*	*0*	*990*	*0*	*80*	*1*	*123*	*0*	*0*		*1*	*$1,193*	*(4)*	*$2,496*
Office of Management										*(7)*	*0*	*(48)*	*(2)*	*(1,225)*	*(9)*	*($1,273)*	*4*	*388*	*0*	*394*	*3*	*288*	*0*	*10*		*7*	*$1,080*	*(2)*	*($193)*
GSA and Other Rent and Rent Related							*4,100*									**4,100**		*293*		*657*		*1,000*				**0**	**$1,950**	**-**	**$6,050**
FDA White Oak Consolidation								*4,128*								**$4,128**		*(3,000)*								0	**($3,000)**	**-**	**$1,128**
Export Certification																									**$24**	0	**$24**	**-**	**$24**
Color Certification																									**$778**	0	**$778**	**-**	**$778**
Buildings and Facilities									**$7,000**							**$7,000**										0	**$0**	**-**	**$7,000**
Total	**17**	**$30,074**	**16**	**$5,996**	**20**	**$5,000**	**$4,100**	**$4,128**	**$7,000**	**(251)**	**(14)**	**($1,554)**	**(15)**	**($5,116)**	**(227)**	**$49,628**	**24**	**$20,938**	**7**	**$6,362**	**22**	**$2,964**	**(6)**	**$254**	**$24**	**47**	**$31,320**	**(180)**	**$80,948**

Food and Drug Administration
Comparable: ALL PURPOSE TABLE - Budget Authority
(Dollars in Thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses:								
Foods	**3082**	**$407,052**	**2,964**	**$407,057**	**2,950**	**$435,526**	**2,847**	**$461,227**
Center	*910*	*144,366*	*901*	*143,958*	*894*	*152,002*	*881*	*155,819*
Field Activities	*2,172*	*262,686*	*2,063*	*263,099*	*2,056*	*283,524*	*1,966*	*305,408*
Human Drugs	**1,943**	**$292,118**	**2,202**	**$292,120**	**2,050**	**$291,488**	**2,015**	**$294,089**
Center	*1,218*	*210,828*	*1,445*	*210,661*	*1,380*	*210,529*	*1,380*	*213,363*
Field Activities	*725*	*81,290*	*757*	*81,459*	*670*	*80,959*	*635*	*80,726*
Biologics	**792**	**$122,354**	**804**	**$122,356**	**781**	**$123,112**	**754**	**$122,238**
Center	*559*	*96,265*	*575*	*96,365*	*565*	*96,890*	*548*	*96,093*
Field Activities	*233*	*26,089*	*229*	*25,991*	*216*	*26,222*	*206*	*26,145*
Animal Drugs and Feeds	**592**	**$83,458**	**578**	**$83,458**	**555**	**$90,486**	**537**	**$90,486**
Center	*346*	*54,530*	*315*	*54,602*	*315*	*55,292*	*309*	*55,292*
Field Activities	*246*	*28,928*	*263*	*28,856*	*240*	*35,194*	*228*	*35,194*
Devices and Radiological Health	**1376**	**$191,143**	**1,428**	**$191,144**	**1,403**	**$214,965**	**1,378**	**$220,961**
Center	*935*	*140,646*	*971*	*141,059*	*1,003*	*163,246*	*986*	*165,042*
Field Activities	*441*	*50,497*	*457*	*50,085*	*400*	*51,719*	*392*	*55,919*
National Center for Toxicological Research	**207**	**$39,652**	**233**	**$39,652**	**225**	**$40,206**	**220**	**$41,152**
Other Activities	**575**	**$90,175**	**644**	**$90,190**	**597**	**$87,232**	**583**	**87,262**
Office of the Commissioner	*344*	*42,932*	*332*	*42,460*	*311*	*41,894*	*306*	*43,197*
Office of Management	*231*	*40,371*	*312*	*40,852*	*286*	*38,515*	*277*	*37,242*
Central Services		*6,872*	*-*	*6,878*	*-*	*6,823*	*0*	*6,823*
FDA Consolidation at White Oak		**$2,361**		**$2,361**		**$17,846**		**21,974**
Other Rent and Rent Related Activities		**$36,043**	**-**	**$36,047**		**$35,758**		**$35,758**
GSA Rental Payments		**$114,354**	**-**	**$114,394**		**$113,479**	**0**	**$117,579**
TOTAL, Salaries & Expenses	**8,567**	**$1,378,710**	**8,853**	**$1,378,779**	**8,561**	**$1,450,098**	**8,334**	**$1,492,726**
Non-Field Activities	*4,750*	*776,462*	*5,084*	*776,487*	*4,979*	*805,397*	*4,907*	*814,023*
Field Activities	*3,817*	*449,490*	*3,769*	*449,490*	*3,582*	*477,618*	*3,427*	*503,392*
Rent Activities	*0*	*152,758*	*0*	*152,802*	*0*	*167,083*	*0*	*175,311*
Buildings and Facilities		**$22,504**	**-**	**$6,959**	**-**	**-**	**0**	**7,000**
TOTAL Budget Authority	**8,567**	**$1,401,214**	**8,853**	**$1,385,738**	**8,561**	**$1,450,098**	**8,334**	**$1,499,726**

Food and Drug Administration
Comparable: ALL PURPOSE TABLE - User Fees
(Dollars in thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses, Definite Appropriations:								
Prescription Drug User Fee Act (PDUFA):								
Human Drugs (PDUFA)	**1006**	**$167,474**	**968**	**$182,060**	**1043**	**$204,808**	**1,061**	**$219,841**
Center	*972*	*162,653*	*904*	*172,954*	*1,015*	*199,762*	*1,032*	*213,908*
Field Activities	*34*	*4,821*	*64*	*9,106*	*28*	*5,046*	*29*	*5,933*
Biologics (PDUFA)	**224**	**$41,157**	**219**	**$38,271**	**226**	**$40,441**	**228**	**$47,675**
Center	*217*	*40,170*	*214*	*37,049*	*214*	*38,353*	*216*	*44,933*
Field Activities	*7*	*987*	*5*	*1,222*	*12*	*2,088*	*12*	*2,742*
Other Activities (PDUFA)	**122**	**$13,535**	**145**	**$20,848**	**146**	**$23,738**	**150**	**$25,116**
Office of the Commissioner	*63*	*7,658*	*75*	*12,338*	*75*	*14,021*	*75*	*15,011*
Office of Management	*59*	*5,877*	*70*	*8,510*	*71*	*9,717*	*75*	*10,105*
FDA Consolidation at White Oak		**3,770**	**-**	**-**	**-**	**3,000**	**0**	**-**
GSA Rental Payments (PDUFA)	-	**6,146**	-	**$8,646**	-	**$12,407**	**0**	**12,700**
Subtotal PDUFA	**1,352**	**$232,082**	**1,332**	**$249,825**	**1,415**	**$284,394**	**1,439**	**$305,332**
Medical Device User Fee and Modernization Act (MDUFMA):								
Biologics (MDUFMA)	**22**	**$3,505**	**34**	**$7,619**	**38**	**$8,169**	**39**	**$8,801**
Center	*21*	*3,437*	*33*	*7,322*	*36*	*7,850*	*37*	*8,412*
Field Activities	*1*	*68*	*1*	*297*	*2*	*319*	*2*	*389*
Devices and Radiological Health (MDUFMA)	**105**	**$17,861**	**143**	**$17,142**	**160**	**$18,379**	**166**	**$22,978**
Center	*100*	*17,253*	*136*	*16,590*	*152*	*17,786*	*158*	*22,173*
Field Activities	*5*	*608*	*7*	*552*	*8*	*593*	*8*	*805*
Other Activities (MDUFMA)	**10**	**1,142**	**20**	**$3,788**	**22**	**$4,061**	**22**	**$4,535**
Office of the Commissioner	*3*	*384*	*5*	*1,076*	*6*	*1,153*	*6*	*1,233*
Office of Management	*7*	*758*	*15*	*2,712*	*16*	*2,908*	*16*	*3,302*
Other Rent and Rent Related Activities (MDUFMA)		*$287*	*-*	*$640*	*-*	*$686*	*0*	*$783*
GSA Rental Payments (MDUFMA)		*$1,080*	*-*	*$2,465*	*-*	*$2,643*	*0*	*$3,203*
Subtotal (MDUFMA)	**137**	**$23,875**	**197**	**$31,654**	**220**	**$33,938**	**227**	**$40,300**
Animal Drug User Fee Act (ADUFA):								
Center for Veterinary Medicine	**3**	**$983**	**40**	**$4,750**	**58**	**$7,748**	**76**	**$9,301**
Other Activities (ADUFA)			**-**	**-**	**2**	**$235**	**6**	**$646**
Office of the Commissioner							*1*	*123*
Office of Management			**-**	**-**	*2*	*235*	*5*	*523*
GSA Rental Payments (ADUFA)		**$100**	**-**	**$250**	-	**$371**	**0**	**$1,371**
Subtotal (ADUFA)	**3**	**$1,083**	**40**	**$5,000**	**60**	**$8,354**	**82**	**$11,318**
Total Definite Appropriations	**1,492**	**$257,040**	**1,569**	**$286,479**	**1,695**	**$326,686**	**1,748**	**$356,950**
Indefinite Appropriations:								
Mammography Quality and Standards Act (MQSA):								
Devices and Radiological Health (MQSA)	**26**	**$4,039**	**32**	**$5,069**	**32**	**$5,174**	**26**	**$5,337**
Center	*26*	*4,039*	*32*	*5,069*	*32*	*5,174*	*26*	*5,337*
Field Activities	*8*	*8,463*	*16*	*11,309*	*16*	*11,543*	*16*	*11,624*
Other Activities - Office of Management and Systems (MQSA)	**2**	**$214**	**2**	**$198**	**2**	**$202**	**2**	**$212**
Office of Management and Systems	*2*	*214*	*2*	*198*	*2*	*202*	*2*	*212*
Subtotal (MQSA)	**36**	**$12,716**	**50**	**$16,576**	**50**	**$16,919**	**44**	**$17,173**
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**1,639**
Color Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
Total Indefinite Appropriations	**82**	**$20,650**	**101**	**$23,225**	**101**	**$23,757**	**95**	**$24,813**
Total User Fees	**1,574**	**$277,690**	**1,670**	**$309,704**	**1,796**	**$350,443**	**1,843**	**$381,763**

Food and Drug Administration
Comparable: ALL PURPOSE TABLE - Total Program Level
(Dollars in Thousands)

PROGRAM	FY 2004 Actuals		FY 2004 Current Estimate		FY 2005 Enacted		FY 2006 Request	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries and Expenses:								
Foods	**3,082**	**$407,052**	**2,964**	**$407,057**	**2,950**	**$435,526**	**2,847**	**$461,227**
Center	*910*	*$144,366*	*901*	*$143,958*	*894*	*$152,002*	*881*	*$155,819*
Field Activities	*2,172*	*262,686*	*2,063*	*263,099*	*2,056*	*283,524*	*1,966*	*305,408*
Human Drugs	**2,949**	**$459,592**	**3,170**	**$474,180**	**3,093**	**$496,296**	**3,076**	**$513,930**
Center	*2,190*	*$373,481*	*2,349*	*$383,615*	*2,395*	*$410,291*	*2,412*	*$427,271*
Field Activities	*759*	*86,111*	*821*	*90,565*	*698*	*86,005*	*664*	*$86,659*
Biologics	**1,038**	**$167,016**	**1,057**	**$168,246**	**1,045**	**$171,722**	**1,021**	**$178,714**
Center	*797*	*$139,872*	*822*	*$140,736*	*815*	*$143,093*	*801*	*$149,438*
Field Activities	*241*	*27,144*	*235*	*27,510*	*230*	*28,629*	*220*	*$29,276*
Animal Drugs and Feeds	**595**	**$84,441**	**618**	**$88,208**	**613**	**$98,234**	**613**	**$99,787**
Center	*349*	*$55,513*	*355*	*$59,352*	*373*	*$63,040*	*385*	*$64,593*
Field Activities	*246*	*$28,928*	*263*	*$28,856*	*240*	*$35,194*	*228*	*$35,194*
Devices and Radiological Health	**1,515**	**$221,506**	**1,619**	**$224,664**	**1,611**	**$250,061**	**1,586**	**$260,900**
Center	*1,061*	*$161,938*	*1,139*	*$162,718*	*1,187*	*$186,206*	*1,170*	*$192,552*
Field Activities	*454*	*59,568*	*480*	*61,946*	*424*	*63,855*	*416*	*$68,348*
National Center for Toxicological Research	**207**	**$39,652**	**233**	**$39,652**	**225**	**$40,206**	**220**	**$41,152**
Other Activities	**709**	**$105,066**	**811**	**$115,024**	**769**	**$115,468**	**763**	**$117,771**
Office of the Commissioner	*410*	*$50,974*	*412*	*$55,874*	*392*	*$57,068*	*388*	*$59,564*
Office of Management	*299*	*47,220*	*399*	*52,272*	*377*	*51,577*	*375*	*$51,384*
Central Services	*-*	*6,872*	*-*	*6,878*	*-*	*6,823*	*-*	*$6,823*
FDA Consolidation at White Oak	**-**	**$6,131**	**-**	**$2,361**	**-**	**$20,846**	**-**	**$21,974**
GSA and Other Rent and Rent Related Activities	***-***	***158,010***	***-***	***162,442***	***-***	***165,344***	***-***	***171,394***
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**$1,639**
Color Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
TOTAL, Salaries & Expenses	**10,141**	**$1,656,400**	**10,523**	**$1,688,483**	**10,357**	**$1,800,541**	**10,177**	**$1,874,489**
Buildings and Facilities	**-**	**22,504**	**-**	**6,959**	**-**	**-**	**-**	**7,000**
Total Program Level	**10,141**	**$1,678,904**	**10,523**	**$1,695,442**	**10,357**	**$1,800,541**	**10,177**	**$1,881,489**
Less User Fees:								
Current Law:								
Prescription Drug User Fee Act (PDUFA)	**1,352**	**232,082**	**1,332**	**249,825**	**1,415**	**284,394**	**1,439**	**305,332**
Medical Devices (MDUFMA)	**137**	**$23,875**	**197**	**$31,654**	**220**	**$33,938**	**227**	**$40,300**
Animal Drugs (ADUFA)	**3**	**$1,083**	**40**	**$5,000**	**60**	**$8,354**	**82**	**$11,318**
Mammography Quality Standards Act (MQSA)	**36**	**$12,716**	**50**	**$16,576**	**50**	**$16,919**	**44**	**$17,173**
Export Certification	**11**	**$1,806**	**13**	**$1,570**	**13**	**$1,615**	**13**	**$1,639**
Certification Fund	**35**	**$6,128**	**38**	**$5,079**	**38**	**$5,223**	**38**	**$6,001**
SUBTOTAL User Fees	**1,574**	**$277,690**	**1,670**	**$309,704**	**1,796**	**$350,443**	**1,843**	**$381,763**
Total Budget Authority	**8,567**	**$1,401,214**	**8,853**	**$1,385,738**	**8,561**	**$1,450,098**	**8,334**	**$1,499,726**

FOODS – CENTER FOR FOOD SAFETY AND APPLIED NUTRITION (CFSAN)

	FY 2004 Actual	FY 2005 Enacted [1]	FY 2006 Estimate	Increase or Decrease
Program Level	**$167,534,00**	**$175,189,00**	**$179,434,00**	**+ $4,245,000**
Total FTE	910	894	881	-13
Budget Authority	**$167,534,00**	**$175,189,00**	**$179,434,00**	**+ $4,245,000**
Food Defense	*$11,123,000*	*$20,954,000*	*$25,776,000*	*+ $4,822,000*
GSA Rent & Rent Related	*$23,168,000*	*$23,187,000*	*$23,615,000*	*+ $428,000*
Administrative Efficiencies	*N/A*	*N/A*	*N/A*	*-$232,000*
IT Reduction	*N/A*	*N/A*	*N/A*	*-$773,000*
Total FTE	*910*	*894*	*881*	*-13*

For Information Only:

ORA Field Estimate				
Budget Authority	*$299,341,00*	*$319,414,00*	*$342,698,00*	*+ $23,284,000*
FTE	*2,172*	2,056	*1,966*	*-90*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual[1/]	143,178,000	143,178,000	--	924
2003 Actual	147,304,000	147,304,000	--	950
2004 Actual	167,534,000	167,534,000	--	910
2005 Enacted	175,189,000	175,189,000	--	894
2006 Estimate	179,434,000	179,434,000	--	881

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF THE BUDGET

The Foods Center Program request is $179,434,000 to accomplish the following activities:

- Ensure that the food supply, quality of foods, food ingredients, and dietary supplements are safe, nutritious, wholesome, and honestly labeled and that cosmetics are safe and properly labeled;
- Set standards and develop regulations for the food industry;
- Counter terrorism by implementing the White House Homeland Security Presidential Directive/HSPD-9, "Defense of the United States Agriculture and Food;"
- Safeguard the U.S. public by defending the food system against terrorist attacks, major disasters, and other emergencies;
- Take timely and appropriate action on new food ingredients and dietary supplements, infant formula, cosmetics, and bioengineered foods before they go on the market to ensure their safety and effectiveness;
- Research ways to provide the necessary basis for regulatory decisions;
- Identify food-related health hazards;
- Take corrective action to reduce human exposure to food related health hazards and the possibility of food-related illnesses and injuries; and,
- Educate and train consumers and industry on food safety and food security.

Scope of Responsibility

CFSAN, along with ORA, promotes and protects the public's health by ensuring that the food supply is safe, sanitary, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled for the public. The program regulates $417 billion worth of domestic food, $49 billion in imported foods, and $59 billion (including $4 billion imported)in cosmetics and toiletries sold across state lines. This regulation takes place from the products' point of U.S. entry or processing to their point of sale, with approximately 60,000 food establishments (including more than 33,000 U.S. food manufacturers and processors and over 22,000 food warehouses) and 2,600 cosmetic firms. The U.S. food supply is among the worlds safest, and FDA will continue to ensure consumer confidence in the food Americans eat.

PROGRAM DESCRIPTION

The Foods -- Center for Food Safety and Applied Nutrition (CFSAN) -- program regulates all food except meat, poultry, and frozen and dried eggs, which, are regulated by the USDA. CFSAN, in conjunction with ORA, is promoting and protecting the public's health by ensuring that the Nation's food supply is safe, sanitary, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled for the public. Additionally, as we enter the 21st century, current trends in the food industry promise better nutrition, greater economies and wider choices for the U.S. consumer than ever before. To illustrate:

- The volume and diversity of imported foods has risen dramatically over the last few decades, and foods once considered exotic are now found throughout the U.S.;
- The globalization of the food supply means that foods we consume are being produced by a much larger number of source countries;
- The biotechnology explosion has opened new frontiers in product development, thus providing us the ability to genetically alter foods to make produce more resistant to disease, add desirable consumption characteristics to the foods, and to prolong shelf life; and,
- The dietary supplements industry has grown dramatically, as has consumption of dietary supplements.

Each of these developments presents food safety regulatory and food security/defense challenges for FDA. The Agency's job is to give consumers the confidence to enjoy the benefits of these expanded food choices.

CFSAN's primary responsibilities include: the safety of substances added to food, e.g., food additives (including ionizing radiation) and color additives; the safety of foods and ingredients developed through biotechnology; seafood Hazard Analysis and Critical Control Point (HACCP) regulations; regulatory and research programs to address health risks associated with foodborne chemical and biological contaminants; regulations and activities dealing with the proper labeling of foods (e.g., ingredients, nutrition health claims) and cosmetics; regulations and policy governing the safety of dietary supplements, infant formulas, and medical foods; safe and properly labeled cosmetic ingredients and products; food industry postmarket surveillance and compliance; consumer education and industry outreach; cooperative programs with state and local governments; and, international food standard and safety harmonization efforts. The Center also has the responsibility for development and implementation of food defense provisions outlined in the BT Act of 2002 and implementation of HSPD-9 for safeguarding the nation's food supply. Although our food supply is among the world's safest, the increase in variety of foods and the convenience items available has brought with it public health concerns. Because a growing proportion of the U.S. food supply is imported, CFSAN also works with international organizations and occasionally directly with foreign governments to ensure their understanding of U.S. requirements and to harmonize international food standards.

The Field component, the Office of Regulatory Affairs (ORA) supports the Center for Food Safety and Applied Nutrition. ORA conducts risk-based domestic and foreign postmarket inspections of food manufacturers to assess their compliance with Good Manufacturing Practice (GMP). ORA inspects thousands of domestic firms that have been identified as high-risk food

establishments consisting of manufacturers, packers/repackers, and warehouses processing products. These include: modified atmosphere packaged products acidified and low acid canned foods, seafood, custard filled bakery products, soft, semi-soft, soft-ripened cheese and cheese products, un-pasteurized juices, sprouts or processed leafy vegetables, fresh vegetables shredded for salads and processed root and tuber vegetables, sandwiches, prepared salads, infant formula, and medical foods.

In addition to overseeing regulated products on a surveillance or "for cause" basis, ORA staff responds to emergencies and investigates incidents of product tampering and terrorist events or natural disasters that may impact FDA-regulated goods, and in instances of criminal activity, the regular field force is complemented by the Office of Criminal Investigations. ORA is also spearheading the agency's effort to establish the FERN. In FY 2006, ORA will expend an estimated $342.7 million in budget authority in support of the Foods Program. Activities that these resources support are displayed in the Program Activities Data Table for Field Activities.

CFSAN PERFORMANCE ANALYSIS

During the latest performance period, FY 2004, CFSAN successfully achieved the targets for three of its four performance goals. The goal that was not met is a two fold goal where the Center was able to exceed in half but was not able to reach the entire goal. CFSAN does expect to achieve its goal in this area in FY 2005. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

Under the FD&C Act, FDA must review the safety of food and color additives before food manufacturers and distributors can market them. To initiate this review, sponsors are required to submit a petition or notification that includes appropriate test data to demonstrate the safety of the intended use of the substance. The Agency must respond to the sponsor's notification with a decision within 75 days. The Agency also has a notification program for substances that are GRAS. Finally, the Agency consults with developers of foods derived from bioengineered plants to ensure that all safety and regulatory questions are resolved prior to marketing and FDA has proposed a mandatory premarket notification program for these foods. CFSAN's key challenge in the premarket area is to expeditiously review new food products without jeopardizing public safety.

Performance Highlight:

Goal Target	Context	Results
Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt.	This goal refers to completion of the safety evaluation of food and color additive petitions. This includes a review of the information in a filed petition, and a determination to either approve or disapprove the petition (along with the agency's rationale and transmittal of the decision to the petitioner).	FDA has met the targets for this performance goal consistently since FY 1999.

RATIONALE FOR BUDGET REQUEST

This request for Budget Authority supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goal.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the operating program, and better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into program level requests.

Office of Regulatory Affairs (ORA) Estimate and Structure Change

This budget also establishes a single budget line item for the ORA to help the field program provide services more effectively, especially by providing much needed flexibility to respond shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

Counter-Terrorism -- Food Defense: + $4,822, 000 and 7 FTE

Funds implement HSPD-9 requiring research and development of new methods for detection, prevention technologies, agent characterization, and dose response relationships for high-consequence agents in food.

-- *New Methods* - FDA fulfills its responsibility of ensuring the safety of the food supply through surveillance and monitoring. New microbiological, chemical, and radiological methods must be developed, validated, and used to detect, enumerate and identify potential non-traditional agents that may threaten the food supply. A particular emphasis is the need to develop biosensors and other technologies to permit continuous monitoring of foods both during production and at import entry sites;

-- *Prevention Technologies* - FDA studies food prevention technologies to improve the safety of food and establish guidelines and or performance standards for industry. Information is needed about new technologies and / or technology enhancements that can increase food safety and protect against potential exposure to non-traditional pathogens, toxins and chemicals during possible high threat situations. For example, critical information is needed

to determine if prevention strategies such as changing pasteurization times and temperatures could be used to safeguard foods and beverages while maintaining the quality that the consumer expects;

-- *Agent Characteristics* - Additional assessments of the abilities of non-traditional microbial pathogens to survive and grow in foods during processing and storage, or the stability and activity of chemical agents while present in foods, and the potential for their inactivation during food processing are essential to improving FDA's ability to detect, quantify and control foodborne pathogens, toxins and chemicals that threaten the food supply; and,

-- *Dose Response Relationships/ Threat Assessments* - An understanding of the dosage amounts needed to inflict human disease or produce adverse reactions, where exposure occurs through consumption of different food matrices, is essential to accurately estimate the threat posed by such exposures. In turn, knowledge of dose response helps determine methods development performance parameters (e.g., sensitivity, ruggedness, statistical confidence) that assure safety and security of the food supply.

GSA Rent: + $428, 000

To help meet the rising costs of GSA rent, a total of $4,100,000 is requested, of which $428,000 is for CFSAN. This will help cover inflation on FDA's current GSA leased facilities.

Management Savings: -$1,005,000 and -4 FTE
FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

- **Administrative Efficiencies: - $232,000 and -2 FTE**
  Administrative efficiency savings will total -$1,554,000 and -14 FTE, of which CFSAN's share is -$232,000 and -2 FTE.

- **Information Technology Reduction: - $773,000 and -2 FTE**
  IT reductions will total -$5,116,000 and -15 FTE, of which CFSAN's share is -$773,000 and -2 FTE.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES
Base resources are used to conduct science-based risk management in all agency regulatory activities so that limited resources can provide the most in health promotion and protection at the least cost to the public. These activities include efforts to:

- Continue FDA's national network of academic centers of excellence to strengthen scientific standards for compliance, threat assessment, and reduction;

- Continue to evaluate the CDC foodborne disease outbreak surveillance system data to identify and analyze outbreaks associated with FDA-regulated products, for the number of

outbreaks, etiologic agents, morbidity and mortality, seasonality, geographic location, site of food preparation, contributing factors and whether the product is domestic or imported;

- Continue to develop food safety prevention standards and guidance to fill the gaps in public health protection from farm to table---modernizing GMP's for food establishments;

- Sustain enhancements to the strategic data systems for surveillance and inspection activities of the food supply that help FDA inspectors focus on and analyze products suspected to have microbiological and chemical contamination;

- Continue to participate in national surveillance and emergency response programs, such as the Foodborne Disease Active Surveillance Network (FoodNet) and PulseNet. FoodNet, a collaborative project with the CDC and USDA, conducts active surveillance for foodborne diseases and related epidemiology studies; while PulseNet is a national network of public health laboratories that performs DNA "fingerprinting" on bacteria that may be foodborne;

- Provide emergency response training in critical areas essential to CFSAN's preparation for and response to potential acts of terrorism against the food supply. Training in FY 2004 included a review of the Center Emergency Response Plan and a case report, involving 641 staff and all Division Directors and Leadership team members. A more intensive training of Situation Room Staff was held in collaboration with DHS/FEMA at the National Fire Training Facility in Emmitsburg, MD. The total number of CFSAN staff trained in Emergency procedures now stands at about 766 out of 875 (87.5 percent);

- Continue to provide the operations and maintenance support necessary for import and domestic product monitoring equipment and information systems, and provide rapid methods to test products in the field; and,

- Enhance coordination of food security and counter-terrorism issues with federal, state, and local governments and other organizations through full participation in the Interagency Food Working Group (IFWG) and sub groups.

Food Code

The Food Code is a model that assists food control jurisdictions at all levels of government by providing them with a scientifically sound technical and legal basis for regulating the retail and food service segment of the industry. FDA will continue to update the Food Code and increase risk management strategies and communication to government, industry and consumers for ensuring the safety of the nation's food supply by quantifying actual performance of the percentage of the total US population that will live in States that have adopted the Food Code.

The Food Code is a component of an even larger effort aimed at decreasing foodborne illness, the National Retail Food Regulatory Program Standards program. Through this program, FDA will:

- Continue to assist state programs and provide oversight in implementing the Standards program;

- Continue to support enrolling new jurisdictions in the program while continuing to provide support and guidance to those jurisdictions already enrolled; and,

- Continue support of conducting audits of those enrolled in the Standards program in accordance with the Standards protocol.

Dietary Supplements

The dietary supplement industry is one of the world's fastest growing with over 1,500 establishments claiming to manufacture dietary supplements and sales of $17.1 billion in 2000. Between 1994 and 2000, consumer spending on dietary supplements nearly doubled, with over 158 million consumers, and sales growing more than 10 percent per year. Nearly 20 million consumers use dietary supplements with prescription products. FDA is committed to making safe products available to consumers, and has published a dietary supplement strategy that sets clear program goals. It is a science-based regulatory program that will fully implement the Dietary Supplement Health and Education Act of 1994 (DSHEA). Base funding will enable FDA to:

- Respond to at least 95 percent of premarket notifications for new dietary ingredients within the statutory time frame of 75 days;

- Review the 30-day postmarket notifications for structure and function claims in a timely manner; and,

- Continue the collaborative effort on dietary supplement research with the National Center for Natural Products Research in Oxford, Mississippi.

Bovine Spongiform Encephalopathy (BSE)

BSE or "Mad Cow Disease" is a deadly chronic, degenerative disorder affecting the central nervous system. BSE and Chronic Wasting Disease (CWD) both belong to a group of fatal progressive degenerative neurological diseases, including those that affect humans such as Creutzfeldt-Jakob disease (CJD). Potential products regulated by the program that can contain these substances are ruminant protein-containing cosmetic products that are packaged and ready for sale, and bovine-derived materials intended for human consumption as either finished dietary supplement products, or for use as ingredients in dietary supplements. Base funding will enable FDA to:

- Continue to identify food and cosmetic products containing brain, spinal cord, and other specific risk materials, including the origin of the animal and country, and infectious agents in foods;

- Continue to conduct research on decontamination or deactivation procedures; and,

- Continue to conduct research on BSE recovery and identification methods from foods and cosmetics.

International Codex-Related Activities

It is important that FDA leverage scarce resources with the international community to provide benefits and incentives for all participants while accomplishing the mission of ensuring the safety of the domestic food supply. FDA will participate in several Codex Committees and Task Forces to help assure that Codex standards provide for the highest level of public health protection and to make Codex standards, to the extent possible, consistent with requirements of the Federal Foods, Drugs, and Cosmetics Act (FFDCA). Such Codex standards, when applied by U.S. trading partners, will increase the safety of their exported food, and help them to meet U.S. requirements.

Premarket Activities

FDA focuses premarket resources to provide for scientifically sound and timely reviews of the safety of food and color additives and food contact substances prior to their entry into the marketplace. To accomplish this, FDA needs to continue to improve the scientific knowledge base that will lead to safer food products and to a better understanding of the complexities of the products the agency regulates. The FDA Modernization Act established a notification process for food contact substances. Since the premarket notification program became fully operational in January 2000, many of the simpler food additive petitions that could have been completed within 360 days are now being handled under the notification program as food contact substance notifications, thus decreasing the workload for this goal. However, since the remaining petitions are usually more complex and time-consuming ones, the Agency anticipated that performance on this goal could decline initially. Once the notification and the recent improvements to the petition review process are well established, FDA expects performance on this goal to increase substantially toward full performance in succeeding years. With base funding, FDA will:

- Continue to reduce the possibility of food-related deaths or injuries and improve the health and well-being of consumers by ensuring that decisions related to approvals of petitions and notifications are scientifically justified and benefit the public health;

- Continue to develop premarket review standards for new products and emerging technologies such as antimicrobial ingredients used in the preparation of processed foods, address the human food safety aspects of genetically modified foods, address the use of novel ingredients added to conventional foods, and ingredients new to infant formulas and medical foods;

- Continue to consult with developers of foods derived from bioengineered plants to ensure that all safety and regulatory questions are resolved prior to marketing;

- Respond to at least 95 percent of premarket notifications for new dietary ingredients within the statutory time frame of 75 days;

- Respond to premarket notifications for food contact substances within the statutory time frame of 120 days;

- Improve the premarket review process for food and color additives using advanced computer and telecommunications technologies and complete review and action on the safety evaluation of 75 percent of food and color additive petitions within 360 days of receipt;

- Continue to provide pre-filing assistance to petitioners through the publication of detailed guidance for food contact substances and food and color additives; and,

- Review 95 percent of premarket notifications for food contact substances within the statutory time limit of 120 days.

Other Program Activities
Under the FFD&C Act, Section 704, FDA is granted general authority to inspect food establishments, and under Section 903, the Agency shall be responsible for research relating to foods and cosmetics in carrying out this Act. FDA will continue to advance egg safety and other compliance and enforcement programs, by continuing research on egg safety as well as education and outreach activities on the proper handling, storage and cooking of eggs. FDA also continues to implement all enforcement efforts of the rule on egg refrigeration/temperature and labeling.

Seafood Safety
FDA continues to provide assistance directly to industry and consumers through provision of information and education activities.

- Continue working with the Interstate Shellfish Sanitation Commission (ISSC) to promote educational and research activities related to shellfish safety, especially Vibrio vulnificus.

- Continue to provide expert scientific and technical advice and assistance on the conduct of international seafood activities, including the development and implementation of bilateral agreements.

Information Technology
CFSAN Adverse Events Reporting System (CAERS): Previously, CFSAN had several systems to monitor adverse events: the Adverse Reaction Monitoring System for food and color additives, the Cosmetics Adverse Reaction Monitoring Database for cosmetic products and the Special Nutritional Adverse Event Monitoring System (SN/AEMS) for dietary supplements, infant formulas, and medical foods. In June 2003, after two years of development, these systems were combined into the CFSAN Adverse Event Reporting System (CAERS) database, with which CFSAN staff now track, evaluate, and monitor all adverse events and consumer complaints received about CFSAN regulated products.

Besides mining food and cosmetic adverse event data for patterns, trends and signals, CAERS has put into operation a database search engine capable of responding to a large variety of inquiries from Congress and others, and is capable of generating yearly reports that will describe the voluntary food and cosmetic adverse event reports received. CAERS has become a critical tool for identifying new and emerging food and cosmetic public health problems.

Food Additives Regulatory Management (FARM): FARM provides information management tools for food additive petition reviewers to maximize productivity and expedite the petition review process and subsequent safety decisions. This comprehensive image-based electronic document management and workflow automation system also helps FDA perform associated activities such as responding to and managing Freedom of Information requests and correspondence. All paper and electronic documents are converted to standard formats and stored in an electronic document management system. Each reviewer is able to retrieve documents at their desks using a combination of attribute and full-text search capabilities supported by a thesaurus maintaining nomenclature control.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Base resources will be used to better enable consumers to make informed decisions weighing benefits and risks of FDA-regulated products. FDA will continue to participate in the FDA Task Force on Consumer Health Information for Better Nutrition, which is developing a framework to help consumers obtain accurate, up-to-date, and science-based information about conventional food and dietary supplements; This includes the development of additional scientific guidance on how the "weight of the evidence" standard will be applied, as well as the development of regulations that will give these principles the force and the effect of law.

Calories Count – Report of the Working Group on Obesity

To help confront the obesity epidemic and help consumers lead healthier lives through better nutrition, FDA created the Obesity Working Group (OWG) to outline an action plan. OWG recommendations centered on the scientific fact that weight control is primarily a function of balance of the calories eaten and calories expended. The recommendations contained in a report focus on a "calories count" emphasis for FDA actions such as those regarding Food Labeling, Enforcement Actions, and Educational Partnerships.

PATIENT AND CONSUMER PROTECTION

Resources will be used to promote improved patient and consumer safety by reducing risks associated with FDA-regulated products. CFSAN will continue to enhance CAERS, which is designed to compile and assess large numbers of physician, health professional data and conclusions and provide likely associations and causative agents for follow-up through investigation and clinical testing. CAERS will integrate its multiple adverse event reporting systems currently in existence, including the current system for dietary supplements.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

Base resources will be used to strengthen FDA's capability to identify, prepare for, and respond to terrorist threats and incidents.

Food Safety and Defense

FDA helps to protect the safety of the food supply by targeting efforts to minimize health and safety risks facing the U.S. public, and by quickly and accurately assessing and effectively managing those risks. FDA must work to develop profiles of possible or probable food threats and points of attack and must have the capacity to quickly and accurately identify potential or

actual outbreaks at any point in the food chain, and take prompt action to mitigate their effects. Base funding will enable FDA to:

Laboratory Preparedness

- In conjunction with ORA, continue the development of methods science to support the critical infrastructure needed for FERN, which will provide integrated laboratory solutions and disseminated testing capacity to support public health preparedness and response to an act of bioterrorism involving the food supply. FERN will specialize in high throughput/rapid testing of food products for biological, chemical and radiological threat agents using trained personnel who routinely handle food samples and specialize in this discipline. Although some of CDC's LRN labs are multidisciplinary and have some food testing capability, these labs would not have sufficient throughput/ rapid testing capacity to handle requirements should an event threatening the food supply occur. FERN would have microbiological, chemical, and radiological food testing capability/capacity to address over 60,000 different food commodities;

- Continue to support the operation of FERN, including the articulation of interim methods, the development and delivery of training modules, the establishment and integration of laboratory communication systems and protocols, the integration with agency crisis management procedures, establishment of methods validation systems, and the establishment of proficiency programs for microbiological, chemical and radiological detection methods. Resources also enhance the preparedness of CFSAN laboratories that are part of FERN and/or LRN;

- Continue the laboratory accreditation program covering all Center foods facilities for harmonizing practices in food laboratories to ensure acceptance of FDA laboratory results throughout the world (this will include enhanced data quality systems and support for instrument validation);

- In conjunction with ORA, continue diagnostic tests to produce tools that are needed for field and import examinations to determine if a product has been tampered with or is otherwise tainted;

- In conjunction with ORA, continue expanding the number and capabilities of state health and agriculture laboratories, and current laboratories connected to eLEXNET to allow the labs to exchange data on select biological agents (possibly including anthrax, botulinum toxin, brucellosis and other potential infectious diseases) and food pathogens. This system is the first Internet-based food safety system that will link state and local organizations with Federal partners to respond more quickly to outbreak situations;

- Maintain preventative standards, education campaigns and research to improve food safety and security through rapid tests of detection and reduction;

- Continue streamlining techniques for the rapid detection and assessment of bacterial strains of bioterrorist agents (pathogens/chemicals); and,

- Continue to assist in developing irradiation techniques and methods to kill anthrax spores in the mail by participating with industry, which already uses irradiation to sanitize poultry, ground beef, spices, and medical equipment.

Prior Notice and Foods Registration System

- In conjunction with ORA, continue regulatory guidance in an expedited time period in order to implement Title III of the BT Act. The FDA is required to propose and issue final regulations for the following four provisions: Section 305 (Registration of Food Facilities); Section 306 (Establishment and Maintenance of Records); Section 307 (Prior Notice of Imported Food Shipments); and Section 303 (Administrative Detention); and,

- Maintain the Food Registration and Prior-Notice system.

Information Technology

FDA Unified Registration and Listing System: FURLS supports the requirements of the BT Act as it relates to Food Facility Registration, Drug Facility Registration and Listing, and Prior Notice of Food Shipments into the U.S. FDA began FURLS by identifying opportunities for unification between the FDA Drug Facility Registration and Listing requirements with those of the Food Facility Registration Requirements.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

"Food Current Good Manufacturing Practices CGMPs"

The FDA Food GMP regulations had not been revised since 1986. During the intervening years, important new developments such as food allergens and new pathogens such as Listeria monocytogenes caused us to believe that it was time to make changes to the regulation to address the previously unforeseen concerns.

CFSAN conducted research projects related to Food GMP modernization, literature searches and a survey of food recalls from 1999-2003. Based in part on this research, FDA concluded that a modernization of the Food GMPs (21CFR 110) was needed.

This initiative will lead to new regulations that will require manufacturers to prevent contamination of foods with undeclared food allergens and strengthen sanitation controls for high-risk foods (those that support the growth of L. monocytogenes). The new regulation will require that all food workers receive training in food safety and GMPs, and that all food manufacturers develop written procedures for cleaning and sanitizing equipment that comes into contact with foods.

Seafood Safety

Vibrio vulnificus: Continued to work with the Interstate Shellfish Sanitation Conference (ISSC) to encourage the post-harvest treatment of Gulf Coast oysters and to monitor progress toward the ISSC illness reduction goals. FDA participates in the ISSC's *Vibrio* Management Committee and various working groups organized under that committee. The ISSC conducted a survey that demonstrates that the shellfish industry's capacity to conduct post-harvest treatment in Gulf Coast oysters well exceeded its goal of 25%, and continued to refine the standardized methods to validate post harvest treatment processes to facilitate industry adoption of the processes.

Methylmercury Advice: In FY 2004, FDA and the EPA prepared a joint consumer advisory entitled: "What You Need to Know about Mercury in Fish and Shellfish." The advisory made several recommendations and answers frequently asked questions for selecting and eating fish or shellfish and reducing exposure to high levels of mercury in women who may become or are pregnant, nursing mothers, and young children.

Fruits and Vegetables

Juice HACCP Guidance: FDA published a guidance document related to the processing of juice entitled: "Guidance for Industry: Juice HACCP Hazards and Controls Guidance, First Edition, " with FDA's views on potential hazards in juice products and actions on how to control such hazards. It is designed to assist juice processors in the development of their HACCP plans.

"Safe Produce"

Because of the importance of fresh produce in a healthy diet and continuing outbreaks associated with the consumption of fresh produce, FDA developed the Produce Safety Action Plan to minimize foodborne illness associated with these foods and to target microbial food safety hazards (such as bacteria, viruses, and parasites) in or on imported or domestic produce consumed in the U.S. The Action Plan extends to all parts of the food chain from farm through retail or consumer preparation and consumption, as FDA believes that each entity involved in producing, packing, processing, transporting, distributing, or preparing fresh produce has a responsibility to conduct its activities so as to reduce, control, or eliminate microbial contamination of produce. It is intended to cover fresh fruits and vegetables, both in their unpeeled, natural form and raw products that have received some minimal processing (such as peeling, chopping, or trimming).

The Action Plan's objectives are:

- *Prevent Contamination of Fresh Produce with Pathogens;*
- *Minimize the Public Health Impact When Contamination of Fresh Produce Occurs;*
- *Improve Communication with Producers, Prepares, and Consumers about Fresh Produce; and,*
- *Facilitate and Support Research Relevant to Fresh Produce.*

International Good Agriculture Practices (GAP) Outreach in Conjunction with the Joint Institute for Food Safety and Applied Nutrition (JIFSAN): FDA and JIFSAN conducted a train-the-trainer program in Guatemala, Honduras, and South Korea on Good Agricultural Practices (GAPs) and GMPs for the production of fresh produce. Participants were trained in good agricultural and manufacturing practices.

Transmissible Spongiform Encephalopathies (TSEs)

BSE Interim Final Rule: FDA published an interim final rule: "Use of Materials Derived From Cattle in Human Food and Cosmetics." Prohibited cattle materials include specified risk materials, small intestine of all cattle, material from nonambulatory disabled cattle, material from cattle not inspected and passed for human consumption, and mechanically separated beef. To address the potential risk of BSE in human food, including dietary supplements, and cosmetics, FDA is issued an interim final rule to prohibit the use of certain cattle material.

BSE Risk Assessment: FDA completed a risk assessment on the potential for variant Creutzfeldt-Jakob Disease (vCJD) in humans from exposure to cosmetics containing cattle-derived protein infected with the BSE agent, and is making this document available to the public to communicate the potential public health risk from cosmetics made with cattle materials that may be contaminated with the BSE agent.

Premarket Review of Food Ingredients

Food and Color Additives

Food and Color Additive Petitions – Expedited Review: for the petition receipt cohort of FY 2003, FDA met its goal to complete within 360 days of filing, the safety evaluation of two of the three food additive petitions that qualify for expedited review. A petition qualifies for expedited review if the food additive is intended to decrease the incidence of foodborne illnesses through its antimicrobial actions against human pathogens that may be present in food.

Food and Color Additive Petitions – Non-expedited Review: for the petition receipt cohort of FY 2003, FDA completed within 360 days of filing, the safety evaluation of four (80%) of five food additive petitions that do not qualify for expedited review. This exceeds the goal of completing at least 70% of these petitions within 360 days.

Biotechnology Consultations: FDA completed the scientific evaluation of 6 of 7 (85%) biotechnology consultations within 180 days.

GRAS Notifications: FDA completed the scientific evaluation of 19 of 23 (83%) GRAS (generally accepted as safe) notifications within 180 days. CFSAN has accepted and filed 157 GRAS notifications since the initiation of the program.

Food Contact Notifications: FDA completed the review of all Food Contact Notifications Within the 120-day statutory timeframe.

Chemical Contaminants, Pesticides and other Hazards

Chloramphenicol: In FY 2001 and early 2002, the EU and Canada reported finding chloramphenicol (CAP), a banned substance, in honey exported from China. In response, FDA developed new analytical methodology and began testing honey for CAP. From March 1, 2002 through December 31 2003, FDA tested 698 imported honey samples and found 37 positive samples. During 2004, FDA also tested 13 domestic honey samples, all of which were negative. From January 1 through September 2004, FDA tested 108 imported honey samples and found 1 positive sample.

Pesticides Monitoring: FDA collected and analyzed over 8,000 food samples for pesticide residues during the FY 2004. FDA must maintain resource levels devoted to the sampling and analyses of pesticide, not only to ensure that the U.S. food supply is safe, but also to reduce dietary exposure.

FDA's Dioxin Strategy: FDA continued implementation of its dioxin strategy including monitoring, method development, and identification of opportunities to reduce exposure. Specific accomplishments in FY2004 include:

- Posting data on dioxin-like compounds (DLCs) in 2000, 2001 and 2002 Total Diet Study food samples; and,
- Posting exposure estimates for DLCs in total U.S. population and 14 age-sex subgroup populations.

Perchlorate Analytical Method: FDA developed an accurate and sensitive method to determine the perchlorate in selected fruits and vegetables and also in bottled water and milk using ion chromatography-tandem mass spectrometry. The method was posted on the CFSAN website and is successfully being used by FDA and other government and private laboratories.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Education

***Listeria* and Methylmercury Education:** Print materials and videos were completed and distributed to targeted audiences in the agency's effort to train health educators teach food safety to pregnant women and women who may become pregnant about the risks of methylmercury in seafood and *Listeria monocytogenes* in refrigerated food.

Seafood Safety: Developed and distributed seafood safety education materials, methylmercury advisory information and fotonovellas for *Vibrio vulnificus* in seafood to target audiences.

Hispanic Outreach: In FY 2004, CFSAN exhibited and distributed Spanish and English food safety materials at seven Radio Unica health fairs held in San Francisco, Miami, Houston, Dallas, San Antonio, Phoenix, and McAllen, TX. These followed four Radio Unica health fairs in FY 2003 in New York, Los Angeles, Chicago, and Fresno, attracting over 25,000 people, and

the 60-second health messages broadcasted in conjunction with these fairs reached some 14.1 million Hispanic adults.

Food Safety and Security Health Professionals Program: FDA, in partnership with the CDC, FSIS, the American Medical Association, and the American Nurses Association (ANA) issued an educational primer entitled: "Diagnosis and Management of Foodborne Illnesses: A Primer for Physicians and Other Health Care Professionals." The new primer will assist physicians and other health care professionals be aware of what to look for in relation to foodborne disease, whether accidental or deliberate.

Nutrition, Health Claims and Labeling

Qualified Health Claims: FDA published in an advance notice of proposed rulemaking (ANPRM) to request comments on alternatives for regulating qualified health claims in the labeling of conventional human foods and dietary supplements. FDA also solicited comments on various other issues related to health claims and on the appropriateness and nature of dietary guidance statements on conventional food and dietary supplement labels.

Consumer Research on Qualified Health Claims: Completed consumer research to help ensure that qualified health claim messages in the labeling of foods and dietary supplements employ the most effective wording so that the messages are not misleading to consumers.

Nutrient Content/Health Claims Petitions: Completed the review of eight nutrient content claim petitions/notifications and twenty-three health claim petitions/notifications within the statutory timeframe.

Infant Formula Premarket Notifications: Completed twenty-five 90-day infant formula notifications within the mandated 90-day review period.

***Trans* Fat Education:** FDA Public Affairs Specialists were provided a technical presentation promoting *trans* fat education and outreach, including a script about the new labeling requirements to facilitate accurate communication to stakeholders. The FDA Consumer featured a cover story about *trans* fats and all information, including press documents, regulations, Q&A's, and consumer information was posted on the CFSAN Web site. These documents also were sent to numerous CFSAN stakeholders. FDA also completed a Web-based interactive article in English and Spanish and a new presentation to accompany the consumer article.

PATIENT AND CONSUMER PROTECTION

Dietary Supplements

75-Day New Dietary Ingredient Notification: FDA received 49 and responded to 47 notifications for dietary supplements containing new dietary ingredients. The notifications are reviewed for science-based evidence of safety.

30-Day Nutrient Content/Health Claim Notifications: Under sec. 403(r) (6) of DSHEA and 21 CFR 101.93(a), nearly 2,000 submissions were received. Each submission identified the claims being made for one or more products. CFSAN sent out 47 letters in response these submissions that addressed one or more issues, such as claims contained in the notifications that were outside the scope of section 403(r) (6), of technical deficiencies of the submission, or that products did not appear to be dietary supplements under current law.

Substantiation Guidance: FDA published a draft guidance for industry entitled: Substantiation for Dietary Supplement Claims Made Under Section 403(r)(6) of the Federal Food, Drug, and Cosmetic Act (the Act), to describe the amount, type, and quality of evidence FDA recommends a manufacturer have to substantiate a claim under section 403 (r)(6) of the Act. It does not extend to substantiation issues that may exist in other sections of the Act.

FDA intends to apply a standard for dietary supplements and other health related products of "competent and reliable scientific evidence." FDA seeks comments on this draft guidance only as they relate to FDA's use and application of the standard and approach that are described in the guidance. We are not seeking comment on FTC's application, use, or interpretation of their standard.

"Ephedra"

FDA issued a final regulation declaring dietary supplements containing ephedrine alkaloids adulterated under the FFD&C Act because they present an unreasonable risk of illness or injury. FDA took action based upon the well-known pharmacology of ephedrine alkaloids, the peer-reviewed scientific literature on the effects of ephedrine alkaloids, and the adverse events reported to have occurred in individuals following consumption of dietary supplements containing ephedrine alkaloids.

Ephedrine alkaloids, such as ephedrine, pseudoephedrine, norephedrine, methylephedrine, norpseudoephedrine, methylpseudoephedrine, are chemical stimulants that occur naturally in some botanicals, but can be synthetically derived. Their ingredient sources in dietary supplements include raw botanicals (i.e., plants) and extracts from botanicals. Ma huang, Ephedra, Chinese Ephedra, and epitonin are several names used for botanical ingredients that are sources of ephedrine alkaloids. Other common names used include sea grape, yellow horse, joint fir, popotillo, and country mallow.

Over the last decade, dietary supplements containing ephedrine alkaloids have been labeled and used primarily for weight loss, energy, or to enhance athletic performance.

Cosmetics

Certified Color Additives: CFSAN continued to analyze all batches of color additives and determine certification status within an average of 5 working days.

PROTECTING THE HOMELAND – COUNTERTERRORISM

Implementation of Bioterrorism Legislation – Registration, Prior Notice, Recordkeeping, and Administrative Detention

FDA published an interim final regulation requiring domestic and foreign manufacturers that pack, or hold food for human or animal consumption in the U.S. to register with FDA by December 12, 2003. In the event of an outbreak of foodborne illness, such information will help FDA and other authorities determine its source and cause, and will help FDA to quickly notify potentially impacted facilities. When the IFR published, FDA estimated that about 420,000 facilities would register. To date, 236,535 facilities have registered, and FDA believes that most of the facilities required to register have already done so and thus believes that the original estimate was likely an overestimate.

Also in accordance with the BT Act FDA published an interim final regulation that requires the submission to FDA of prior notice of food, including animal feed, that is imported or offered for import into the U.S. This allows FDA to know, in advance, when specific food shipments will be arriving and what those shipments will contain. This advance information allows the FDA, working with U.S. Customs, to more effectively target inspections and ensure the safety and security of imported foods. Since this rule was implemented in December 2003, FDA receives an increasing number of notifications about incoming shipment each day, with a current average of 30,000 notifications each day.

FDA also has published final rules for the Establishment and Maintenance of Records and Administrative Detention under the BT Act, which protects the U.S. human food and animal feed supply in the event FDA has a reasonable belief an article of food is adulterated and presents a credible threat of serious adverse health consequences or death to humans or animals. These records identify the immediate previous source(s) of all food received, as well as, the immediate subsequent recipient(s) of all food released. The final rule gives FDA the ability to trace back to get to the source of contamination, and to trace forward to remove adulterated food that poses a significant health threat in the food supply.

The final rule for the Administrative Detention provision under the BT Act establishes procedures for the detention of food for which the agency has credible evidence or information that it presents a threat of serious adverse health consequences or death to humans or animals. This rule describes how FDA can hold food in place while it initiates legal action to seize and permanently remove it from commerce. All four of these rules are part of the FDA's continuing effort to ensure the safety and security of the nation's food supply.

Food Defense: Implementing the Bioterrorism Act of 2002 (PL 107-188)

Food Terrorism Risk Assessment: FDA completed a risk assessment for food terrorism and other food safety concerns, one of a number of steps the agency is taking to improve its ability to prevent, prepare for, and respond to an incident of food sabotage.

Food Safety and Security Guidance for the Retail Sector: FDA published a guidance document related to food security entitled ``Retail Food Stores and Food Service Establishments: Food Security "Preventive Measures Guidance." This guidance identifies the kinds of preventive measures that operators may take to minimize the risk that food under their control will be subject to tampering or other malicious, criminal, or terrorist actions.

Food Safety and Security Guidance for Cosmetics: The ``Cosmetics Processors and Transporters: Cosmetics Security Preventive Measures Guidance" is designed as an aid to operators of cosmetics establishments (e.g., firms that process, store, repack, relabel, distribute, or transport cosmetics or cosmetics ingredients). It identifies the kinds of preventive measures that operators may take to minimize the risk that cosmetics under their control will be subject to tampering or other malicious, criminal, or terrorist actions.

Joint FDA/CBP Plan for Prior Notice Timeframes: FDA and U.S. Customs completed a plan entitled "Joint FDA-CBP Plan for Increasing Integration and Assessing the Coordination of Prior Notice Timeframes", which describes the process by which FDA and CBP intend to increase integration and coordinate timeframe requirements.

Food Defense: Emergency Preparedness

Food Emergency Response Network (FERN): CFSAN and ORA initiated a multi-year effort to support the development of FERN. As such, CFSAN has been involved in multiple activities including:

- Serving as the lead for the proficiency program subcommittee, as the operational laboratory for microbiological proficiency samples, and supporting the activities of the ORA Forensics laboratory for chemical proficiency samples;

- Posting interim methods for priority chemical and microbiological agents on both the FERN and the CDC Laboratory Response Network (LRN) websites;

- Providing training to ORA, USDA, FERN, and LRN labs on detection of priority microbiological agents in a BSL-3 environment and on general food sampling protocols;

- Initiating review of the criteria for the validation of microbiological methods;

- Supporting the development of the organizational structure of FERN including active participation in the Steering Committee and all subcommittees;

- Establishing a “FERN store” for the stockpiling and distribution of kits and specialized reagent to the FERN labs;

- Continuing to identify and address infrastructure, training, and procedural needs for increased preparedness of CFSAN labs including acquisition of key equipment for microbiological and chemical agent detection;

- Completing all requirements for the use of select agents within three of the CFSAN labs, including inspection of laboratories by CDC; and,

- Two additional CFSAN laboratories (NCFST and College Park) into the LRN.

Food Threat Assessment Evaluations: FDA produced a "For Official Use Only" (FOUO) version of its classified Operational Risk Management (ORM) vulnerability assessment. CFSAN briefed FDA management, field management, state commissioners of health and agriculture and numerous food trade associations on the content of the document. Beginning October 2004, this document was used during an intensive 6-week assignment by FDA and state inspectors to brief management of targeted food processing facilities on the special risks that their products pose. Because the information in this document is likely to be the greatest detail that could be contained in a non-classified document, FDA has shifted its focus from performance of additional independent vulnerability/threat assessments to working with trade associations to perform their own assessments.

FDA completed training on the CARVER processes for the International Bottled Water Association (IBWA), the International Dairy Foods Association (IDFA) and the National Milk Producers Federation (NMPF). With FDA support, IBWA has completed one CARVER analysis and is about to begin a second. IDFA and NMPF are scheduled to begin their first analysis in November 2004.

Establishment of Prevention Measures: In an effort to establish prevention measure shields for foods identified as a high security concern, FDA continued to acquire and communicate scientific information to the appropriate sectors in the following areas:

- FDA/CFSAN staff conducted numerous briefings with food industry representatives and State Agriculture and Health Commissioners on its initial food security assessment efforts;

- Through the Institute of Food Technologists, developed and conducted threat assessment training for medium and small food producers nationwide that will lead to improved security of food production facilities and processes;

- Partnered with industry to provide technical assistance in conducting CARVER threat assessments for foods identified as higher concern. CFSAN has four industry partnerships underway: dairy; bottled water; infant formula and produce; and,

- Developed and distributed milk and cosmetic industry security guidance.

Intramural and extramural research on prevention strategies: Three activities were initiated:

(1) CFSAN has initiated a collaborative project with NCFST entitled "Thermal resistance of non-traditional microbial agents."

(2) CFSAN is in the planning stages of two collaborative projects with NCFST. The first project is entitled "Decontamination of Food Processing Facilities and Equipment." The second project is entitled "Effect of Food Processing on the Inactivation of Protein Toxins and *Bacillus anthracis* Spores." CFSAN and NCFST are presently interviewing post-doctoral candidates, who will be hired to perform these projects in the BSL-3 laboratory and pilot plant that is being built at NCFST.

(3) FDA has collaborated with the National Institute for Allergies and Infectious Diseases, and the University of Wisconsin to examine the heat stability of botulinum toxin in raw milk.

Emergency Response Exercises: CFSAN participated in numerous emergency response exercises that included all levels of government including:

- the TOPOFF 3 Exercise Command Post Exercise Initial Planning Conference;
- an FDA-wide radiological emergency functional exercise to test FDA's Radiological Emergency Response Plan;
- a Restaurant Association of Maryland Table Top Exercise Steering Advisory Committee Meeting in which representatives from the DHS, USDA, University of Maryland, and various MD state agencies were also present; and,
- an FDA Biochem Exercise.

Training on the Bioterrorism Final Rules: Training on two of the four BT Regulations, Food Facility Registration and Prior Notice of Imports, has been completed. A worldwide "Satellite downlink" public broadcast on the two final regulations was held on October 28, 2003. On the 3rd and 7th of November 2003, FDA held (1) BT Act's Rules and Procedures – Handling questions (Satellite Downlink); and (2) Implementing the BT Act's Rules and Procedures.

Participation in IFWG: In conjunction with the Interagency Food Working Group (IFWG), FDA/CFSAN served as lead for HHS in helping to establish the Food and Agriculture Sector critical infrastructure protection organization that brings together state officials and industry to further strengthen homeland security in the area of food security.

Bioterrorism Help Desk: Implemented the "FDA Industry Systems Help Desk" to respond to general and technical questions about the BT Act with respect to food facility registration and prior notice of imported foods. The Help Desk has responded to over 100,000 inquiries on the BT Act rules.

Laboratory Upgrade: CFSAN initiated the upgrade of laboratory facilities at the NCFST to the BSL-3 level, to allow NCFST to conduct food processing and packaging research that is geared to enhance food defense.

Foods
CFSAN Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
FOOD & COLOR ADDITIVE PETITIONS			
Petitions Filed	12	15	15
Petitions Reviewed *	13	16	16
* Number reviewed includes those approved, withdrawn, or placed in abeyance because of deficiencies during the FY.			
PREMARKET NOTITICATIONS FOR FOOD CONTACT SUBSTANCES			
Notifications Received	85**	100	110
Notifications Reviewed ***	103	100	110
** Number does not include submissions expedited via FDA's Threshold of Regulation Process. *** Number reviewed includes those that became effective or were withdrawn.			
INFANT FORMULA NOTIFICATIONS			
Notifications Received [a]	27	30	30
Notifications Reviewed [b]	30	30	30
[a] Number of submissions received in current FY include some received late in the FY. [b] Number of submissions reviewed includes some submissions that were received in the previous FY.			
NEW DIETARY INGREDIENT NOTIFICATIONS*			
Submissions Received[a]	49	70	75
Submissions Reviewed [b]	47	70	75
FDA Review Time	75 Days	75 Days	75 Days

**** A single notification may address one or more new dietary ingredients. For example, FDA has received at least 15 notifications that contained between 2 to 16 new dietary ingredients in a single notification.

[a] Number of submissions received in current FY includes some received late in the FY that will be completed in the next FY when the 75-day due date occurs.

[b] Number of submissions reviewed in the current FY includes some submissions that were received in the previous FY where the 75-day due date occurred in the current FY.

PERFORMANCE GOALS AND TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements. (11001)	FY 06: Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt.
Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the nation's food supply. (11010)	FY 06: 84% of 49 states -- Increase the percentage of the U.S. population that will live in states that have adopted the Food Code.

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HUMAN DRUGS
CENTER FOR DRUG EVALUATION AND RESEARCH (CDER)

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$396,491,000**	**$439,284,000**	**$456,933,000**	**+$17,649,000**
Total FTE	*2,190*	*2,395*	*2,412*	*+17*
Budget Authority	***$229,372,000***	***$230,588,000***	***$233,881,000***	***+$3,293,000***
Office of Drug Safety	*$15,800,000*	*$17,900,000*	*$22,900,000*	*+$5,000,000*
GSA Rent and Rent Related	*$18,544,000*	*$20,059,000*	*$20,518,000*	*+$459,000*
Administrative Efficiencies	*N/A*	*N/A*	*$301,000*	*-$301,000*
IT Reduction	*N/A*	*N/A*	*$1,865,000*	*-$1,865,000*
Total FTE	*1,218*	*1,380*	*1,380*	*0*
User Fee	**$167,119,000**	**$208,696,000**	***$223,052,000***	***+$14,356,000***
PDUFA	*$167,119,000*	*$208,696,000*	*$223,052,000*	*+$14,356,000*
FTE	*972*	*1,015*	*1,032*	*+17*

ORA Estimate	**$98,346,000**	**$97,960,000**	**$98,972,000**	**+1,012,000**
Budget Authority	*$93,525,000*	*$92,654,000*	*$92,770,000*	*$116,000*
FTE	*725*	*670*	*635*	*-35*
User Fee	*$4,821,000*	*$5,306,000*	*$6,202,000*	*+$896,000*
FTE	*34*	*28*	*29*	*+1*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$273,008,000	$178,017,000	$104,093,000	1,834
2003 Actual	$313,940,000	$188,837,000	$125,103,000	1,901
2004 Actual [2/]	$396,491,000	$229,372,000	$167,119,000	2,190
2005 Enacted	$439,284,000	$230,588,000	$208,696,000	2,395
2006 Estimate	$456,933,000	$233,881,000	$223,052,000	2,412

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.
[2/] Includes the transfer of CBER's Therapeutics program.

STATEMENT OF BUDGET REQUEST

CDER is requesting $456,933,000 in program level resources for accomplishing its mission activities including:

- Ensuring that prescription, generic, and Over-the-Counter (OTC) drug products are adequately available to the public and are safe and effective;
- Monitoring the use of marketed drug products for unexpected health risks; and,
- Monitoring and enforcing the quality of marketed drug products.

PROGRAM DESCRIPTION

Within the human drug program, CDER is responsible for ensuring that America's drug product supply is adequately available, safe and effective, and of the highest quality. The process for approving drug products begins with the drug companies who must first test their products. CDER monitors their clinical research to ensure that people who volunteer for studies are protected and that the quality and integrity of scientific data are maintained, and assembles a team of physicians, statisticians, chemists, pharmacologists, and other scientists to review the company's data and proposed use of the drug. If the drug is effective and we are convinced its health benefits outweigh its risks, we approve it for sale. CDER does not actually test the drug when we review the company's data. By setting clear standards for the evidence FDA needs to approve a drug, the Agency helps medical researchers bring new drugs to American consumers more rapidly. CDER also reviews over-the-counter and prescription drugs and generic versions of these drugs.

Once a drug is approved for sale in the U.S., FDA's consumer protection mission continues. FDA monitors the use of marketed drugs for unexpected health risks. If new, unanticipated risks are detected after approval, we take steps to inform the public and change how a drug is used or even remove a drug from the market. We also monitor manufacturing changes to make sure they won't adversely affect the safety or efficacy of the medicine. CDER evaluates reports about suspected problems from manufacturers, health care professionals, and consumers. Sometimes, manufacturers run into production problems that might endanger the health of patients who depend on a drug. CDER tries to make sure that an adequate supply of drugs is always available.

ORA supports CDER by conducting preapproval inspections of both foreign and domestic establishments and other premarket-related activities such as: bioresearch monitoring of clinical research and laboratory method validations needed for premarket application decisions, and inspections of manufacturing facilities to determine if the factory is able to manufacture the product to the specifications stated in the application. The Field conducts risk-based domestic and foreign postmarket inspections of medical device manufacturers to assess their compliance with GMP requirements, and conducts inspections of reprocessors of single-use devices, and monitors imported medical devices and radiological products through field examinations or sampling, as needed, to ensure the safety of such products.

In addition to overseeing regulated products on a surveillance or "for cause" basis when a problem is encountered, ORA staff also responds to emergencies and investigates

incidents of product tampering and terrorist events or natural disasters that may impact FDA regulated goods. To complement the regular field force, the Office of Criminal Investigations investigates instances of criminal activity in FDA regulated industries. In FY 2006, ORA will expend an estimated $98,972,000 in support of the CDER Program.

Accurate and complete information are vital to the safe use of drugs. Drug companies have historically promoted their products directly to physicians, but increasingly are advertising directly to consumers. While the Federal Trade Commission regulates advertising of OTC drugs, we oversee the advertising of prescription drugs. Advertisements for a drug must contain a truthful summary of information about its effectiveness, side effects, and circumstances when its use should be avoided. We are monitoring the industry's voluntary program to provide consumers useful information about prescription drugs when they pick up their prescriptions. We are watching this program closely to see that it meets its goals for quantity and quality of information.

In addition to setting standards for safety and effectiveness testing, CDER also sets standards for drug quality and manufacturing processes, working closely with manufacturers to see where streamlining can cut red tape without compromising drug quality. As the pharmaceutical industry has become increasingly global, we are involved in international negotiations with other nations to harmonize standards for drug quality and the data needed to approve a new drug. This harmonization will go a long way toward reducing the number of redundant tests manufacturers do and help ensure drug quality for consumers at home and abroad.

FDA conducts and collaborates on focused laboratory research and testing. Research maintains and strengthens the scientific base of our regulatory policy-making and decision-making. The Agency focuses on drug quality, safety, and performance; improved technologies; new approaches to drug development and review; and regulatory standards and consistency.

CDER PERFORMANCE ANALYSIS

During the latest performance period (FY 2004), CDER successfully met all nine of its performance goals. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

With the renewal of the Prescription Drug User Fee Act (PDUFA III) of 2003, CDER's targets for FY 2004 have reached full performance level. To sustain these ambitious targets, adequate funding is required. Since the PDUFA fee structure is predicated on supplementing existing appropriated funding, the request must be designed to ensure that budgetary authority and user fees are adequate.

Performance Highlight:

Goal Target	Context	Results
Review and act upon 90% of original standard NDAs within 10 months of receipt and 90% of original priority NDAs within 6 months of receipt.	The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products.	FDA's timely performance of high-quality drug reviews in recent years reflects the importance of managerial reforms and substantial additional resources provided under the Prescription Drug User Fee Act (PDUFA).

RATIONALE FOR BUDGET REQUEST

This request, for Budget Authority and User Fees, supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goals.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the operating program, would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into the Animal Drugs and Feed program level requests.

Office of Regulatory Affairs (ORA) Estimate and Structure Change

This budget also establishes a single budget line item for the ORA. To help the field program provide services more effectively, especially by providing much needed flexibility to respond to shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

Office of Drug Safety: +$5,000,000 and +20 FTE

CDER is responsible for ensuring that the U.S. drug supply is adequately available, safe and effective, and of the highest quality, these are mission-critical functions. Drug safety analysis and decision-making is the result of collaborative efforts among offices across the Center. CDER's Office of Drug Safety (ODS) is one such office involved in the overall drug safety function. The $5,000,000 increase in funding will be used to strengthen the drug safety functions within ODS by: hiring additional staff to manage and lead safety reviews; increasing the number of staff with expertise in critical areas such as risk management, risk communication, and epidemiology; and, increasing access to a wide range of clinical, pharmacy and administrative databases.

GSA Rent: +$459,000

To help meet the rising costs of GSA rent, a total of $4,100,000, of which $459,000 is for the Center for Drug Evaluation and Research. This increase will cover inflation on FDA's current GSA leased facilities and the increased rental costs for the White Oak facility.

Management Savings: -$2,166,000 and -9 FTE

FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

- **Administrative Efficiencies: - $301,000 and – 3 FTE**
  Administrative efficiency savings will total -$1,554,000 and -14 FTE, of which CDER's share is -$301,000 and -3 FTE.

- **Information Technology Reduction: - $1,865,000 and – 6 FTE**
  IT reductions will total -$5,116,000 and -15 FTE, of which CDER's share is -$1,865,000 and -3 FTE.

User Fee

Prescription Drug User Fee Act III (PDUFA): + $14,356,000 and + 17 FTE

PDUFA authorized the FDA to collect fees from the pharmaceutical industry to augment appropriations spent on drug review. These fees expand the resources available for the process of reviewing human drug applications including reviewers, information management, space costs, acquisition of fixtures, furniture, equipment and other necessary materials so that safe and effective drug products reach the American public more quickly. The BT Act reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. These amendments are effective for five years and direct FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and

biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. The increases will contribute to meeting these mandated directives.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES

The Human Drugs Program within FDA is responsible for ensuring the safety and effectiveness of drug and therapeutic biologic products. The following sections describe our responsibilities.

New Drug Review

FDA reviews and evaluates New Drug Applications (NDAs) to determine whether or not a new drug is both safe and effective. Drugs for diseases such as cancer and AIDS are given priority status and evaluated through an accelerated approval process. FDA's accelerated drug approval program helps make promising products for serious or life threatening diseases available earlier in the development process by allowing approval to be based on a promising effect of the drug, such as tumor shrinkage, before there is actual evidence of improved survival or other clinical benefit. The drug's commercial sponsor worked closely with FDA to define the studies that would be conducted.

Fast Track Approval for Erbitux

FDA approved Erbitux (cetuximab) to treat patients with advanced colorectal cancer that has spread to other parts of the body. Erbitux is the first monoclonal antibody approved to treat this type of cancer and is indicated as a combination treatment to be given intravenously with irinotecan, another drug approved to fight colorectal cancer, or alone if patients cannot tolerate irinotecan.

New Drug Application Review activities include:

- Regulating testing of Investigational New Drugs (INDs);
- Evaluating standard and priority NDAs received from sponsors; and,
- Completing review and action on standard and priority efficacy supplements – supplemental applications proposing to add a new use of an approved drug to a product's labeling.

Biological Therapeutic Products

FDA reviews and evaluates biological therapeutic products, including establishing standards, conducting mission related research, participating in inspections, developing policy and procedures, and evaluating trial results and reports of adverse events. Biological therapeutic products include such products as growth factors, enzymes, monoclonal antibodies, and products prepared by genetic engineering and synthetic procedures. The human drug program monitors production of biologics from the early stages all the way through post-marketing, with lot release testing to ensure the individual lots continue to meet safety, purity, potency and efficacy requirements.

PDUFA

The BT Act of 2002 reauthorized PDUFA for five years, allowing the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. Specifically, Congress directed FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction between the Agency and sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. Performance monitoring of reviews is accomplished in terms of cohorts. For example, the FY 2004 cohort includes applications received from October 1, 2003 through September 30, 2004. The FY 2005 cohort review performance goals covered under PDUFA for NDAs, Product License Applications (PLAs), and Biologics License Applications (BLAs) are:

- Review and act on 90 percent of standard original NDA and BLA submissions filed during the fiscal year within 10 months of receipt;
- Review and act on 90 percent of priority original NDA and BLA submissions filed during the fiscal year within 6 months of receipt;
- Review and act on 90 percent of standard efficacy supplements filed during the fiscal year within 10 months of receipt; and review and act on 90 percent of priority efficacy supplements filed during the fiscal year within 6 months of receipt;
- Review and act on 90 percent of manufacturing supplements filed during the fiscal year within 6 months of receipt; and review and act on 90 percent of manufacturing supplements requiring prior approval within 4 months of receipt; and,
- Review and act on 90 percent of Class 1 resubmitted original applications filed during the fiscal year within 2 months of receipt; and review and act on 90 percent of Class 2 resubmitted original applications filed during the fiscal year within 6 months of receipt.

Over-the-Counter Drugs

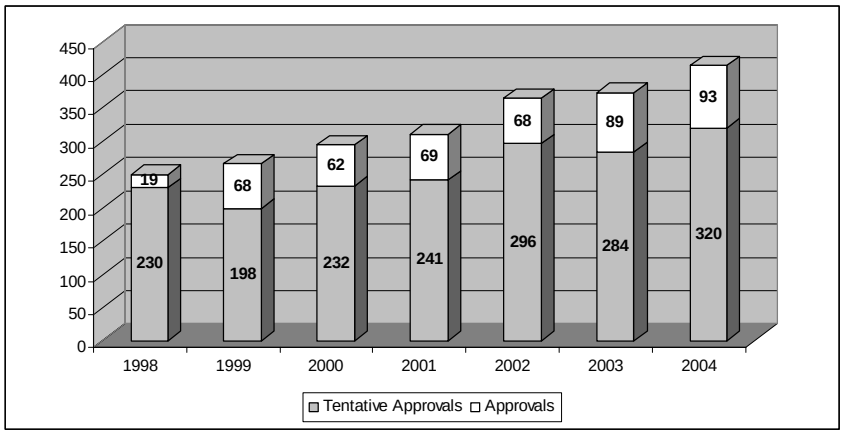
FDA is committed to providing consumers with safe, effective, and affordable drugs. Increasing the number of safe and effective OTC drugs that are available to consumers is consistent with this goal. This Program reviews OTC drugs to ensure their safety and effectiveness and assists consumers on how to best use OTC products by providing clear,

easy-to-read drug information. This program also enters into contracts for consumer behavior research to identify and manage risks associated with the use of OTC drugs.

OTC Drug Review was implemented to determine which OTC drugs could be recognized by experts as safe and effective for their intended uses. This was accomplished by using a system of monographs that serve as regulations covering the acceptable active ingredients and labeling for each category of OTC drug covered by the applicable monograph. OTC drugs that meet the requirements of the controlling monograph do not require approval through the NDA process and are not deemed to be misbranded. Those drugs that do not meet monograph requirements are considered new drugs requiring approval and, absent that approval, are misbranded.

Generic Drugs

FDA continues to support an active generic drugs program to complete review and action on Abbreviated New Drug Applications (ANDAs), with a continued focus on expanding the availability of high-quality generic drug products and providing consumers with information on their safety and effectiveness. Generic drugs save consumers billions of dollars each year. Accordingly, FDA is committed to bringing as many safe and effective generic drugs to market as possible by addressing specific scientific questions regarding bioequivalence and chemistry of generic products. This research will be directed at evaluating ways to enable approval of generic drugs in areas that currently lack generic alternatives, such as inhalation or topical drug products. We are responsible for assuring generic product conformance to manufacturing standards equal to the standards of the brand name pharmaceuticals.



Further, FDA is working to increase efficiency and improve generic drug review times by evaluating ways to improve communications with industry. We have developed procedures to call the applicant during the review for clarification or explanation in order for the reviewer to continue and finalize an initial review. In the late stages of review, the reviewer may communicate deficiencies that can be resolved easily, usually within 10 working days. Also, if there are multiple review cycles, the review staff attempts to discuss deficiencies with the applicant to ensure that the applicants understand what is being asked. In addition, FDA's Office of Generic Drugs (OGD) is participating in workshops and meetings with the industry to provide information to promote more complete, efficiently reviewed applications.

In addition, FDA will continue its efforts to enhance OGD information technology capabilities to further refine and develop electronic submissions of generic drug

applications to gain efficiencies in the review process and to train staff on the use, development, and expansion of electronic review efforts.

FDA Involvement in the President's Emergency Plan for AIDS Relief

In the 2003 State of the Union address, President Bush announced his five-year, $15 billion plan for emergency relief to nations in Africa and the Caribbean whose populations are most afflicted with HIV/AIDS. In May 2004, in direct support of the President's Emergency Plan for AIDS Relief (PEPFAR), Secretary Thompson announced that FDA would implement a new, expedited review process to ensure that the US could provide safe, effective drugs to developing countries. FDA plays a significant role in the PEPFAR initiative by providing the medical and scientific expertise necessary to fulfill the President's commitment to ensure the quality of HIV/AIDS drugs purchased by the US for developing countries. FDA's responsibilities include performing outreach to pharmaceutical firms – including many foreign firms who are unfamiliar with FDA's regulatory processes. FDA will conduct its traditional drug product review activities for both new products and for generic forms of existing drug products to ensure product safety and effectiveness. Given many firms will have little or no experience with FDA, the Agency will not have existing information about most clinical laboratories and manufacturing sites associated new drug and generic drug products seeking approval within the PEPFAR initiative. Therefore, FDA will conduct pre-approval inspections of laboratories and current good manufacturing practices (cGMP) inspections to ensure drug product quality during manufacturing. After approval, FDA will monitor the drug products by reviewing adverse event reports to ensure continued post market safety and will review any changes made to approved products to ensure that they are still safe and effective. FDA has estimated costs for support of the PEPFAR Initiative based upon the assumption that additional funding will be available to FDA to address the added workload of PEPFAR because, in addition to PEPFAR-specific work, FDA is currently staffed to a level to handle our existing workload for meeting PDUFA deadline. Further, given that FDA will support PEPFAR activities with existing experienced and highly-skilled personnel, FDA is assuming that funding received for the PEPFAR initiative will be used to "backfill" positions with new hires to satisfy the on-going workload demands, specifically the demands of PDUFA.

Protecting America's Children

Due to the inadequacy of pediatric use information found in the majority of prescription medications in the U.S., Congress enacted several legislative initiatives to promote drug development for children.

In 1997, as part of the FDA Modernization Act, Congress enacted a law to provide marketing incentives to manufacturers who conduct studies in children. This law, which provides six months exclusivity in return for conducting pediatric studies requested by the FDA, was reauthorized in January 2002 under the Best Pharmaceuticals for Children Act (BPCA).

As a result of these initiatives, the number of ongoing pediatric clinical trials in the last 5 years has increased dramatically. Many of the studies reported to date have yielded new

dosing and safety information in labeling. FDA will continue to use base resources for issuing written requests (WR) for on-patent drugs, reviewing the studies, negotiating labeling changes within the 6-month timeframe, make publicly available the summaries of the medical and clinical pharmacology reviews, and monitoring adverse events for those drugs granted pediatric exclusivity.

The BPCA also established a publicly funded contracting process for studies of drugs that no longer have exclusivity or patent protection for which pediatric studies are needed. This process parallels the resources need for on-patent drugs. Moreover, FDA is mandated to collaborate with NIH to transform WRs for off-patent drug into Requests for Proposals (RFPs) which require FDA resources to review and provide comment to proposals from offerors.

The Pediatric Research Equity Act (PREA), enacted December 3, 2003, provides FDA the authority to require pediatrics studies for certain new and already marketed drug and biological products. It incorporates many elements of the former "Pediatric Rule" (63 FR 66632, Dec. 2, 1998) that was stuck down in U.S. District Court for the District of Columbia on October 17, 2002. The effective date of PREA is April 1, 1999, the same date the former Pediatric Rule became effective. Due to the retroactive nature of the legislation, a significant number of previously submitted applications are now subject to the requirements. It is anticipated this initiative will require substantial base resources for addressing applications previously submitted, negotiating pediatric drug development plans, reviewing and making determinations on requests for waiver or deferral of pediatric assessments, reviewing submitted pediatric studies, and tracking all the information regarding waivers, deferrals and completed for affected applications.

Product Quality

Ensuring that the highest possible quality products are marketed is a large part of FDA's mission. This is done by facilitating effective and efficient scientific assessment of relevant pharmaceutical and biotechnology information in regulatory submissions. The Agency facilitates scientific and technological innovations that improve understanding of product performance, quality and efficiency of development, manufacturing, and quality assurance processes. FDA works to support the achievement of the following attributes of drug products:

- Drug quality and performance achieved and assured through design of effective and efficient development and manufacturing processes;
- Regulatory specifications based on a mechanistic understanding of how product and process factors impact product performance; and,
- Continuous "real time" assurance of quality.

Ensuring quality of products involves recognizing the level of scientific knowledge supporting product applications, process validation, and process capability. FDA applies risk-based regulatory scrutiny that relates to the level of scientific understanding of how formulation and manufacturing process factors affect product performance and to the

capability of process control strategies to prevent or mitigate risk of poor product performance.

Within the human drugs program, FDA evaluates and analyzes inspection findings for trends in deficiencies by focusing on product quality standards and manufacturers' compliance with GMP regulations. The Agency develop, deploy, and maintain risk-based compliance inspection models for prioritizing GMP inspections by risks to product quality. The Agency performs targeted drug quality surveillance studies to detect emerging threats to drug quality and develop baselines for risk-based drug quality monitoring by creating data resources and maintaining access to industry data resources for efficient and accurate assessments of drug products marketed and drugs consumed.

The Agency conducts criminal investigations of reported product tampering, counterfeit products, and other fraudulent criminal activities involving regulated drug products. We perform laboratory validation of analytical methods submitted to support pre-market product applications. FDA verifies the reliability and accuracy of NDA data collected by regulated industry in animal and human studies, and we evaluate approaches that may be used to facilitate the introduction of modern process analytical technologies and pharmaceutical engineering principles.

Managing Quality by Industry Self-Compliance

FDA operates a comprehensive program to guide, assist, and manage industry self-compliance with manufacturing quality objectives of the FFDCA Act. We organize FDA experience and expertise into published guidance on how Industry may meet requirements for manufacturing quality on focused areas of technology and procedures. We provide input on industry-generated voluntary standards and guidance documents to assure broad consensus for effective compliance.

Over the last few years, FDA has conducted a major effort to bring a 21st century focus to the regulation of pharmaceutical manufacturing and product quality by providing high quality, cost-effective oversight of industry manufacturing, processing and distribution. FDA focuses on product quality standards and compliance by manufacturers with the GMP regulations to ensure that the highest possible quality products are marketed. We ensure the latest technological advances are encouraged, including application of the requirements of Part 11 regulations.

The staff provides inspection assessments of conformance with current good manufacturing practice requirements for self correction and improvement of operations, and we assist Industry in voluntary recalls of products from the market and in the investigation, evaluation, and corrections of the conditions and practices which led to the recalls. CDER provides certificates of conformance with current good manufacturing practice by the Industry for use in facilitating export of US pharmaceutical production to countries with limited regulatory systems, and we provide consultation to industry and coordination of FDA program activities to alleviate drug shortages.

Compliance Oversight of Marketed OTC Drugs

Enforcement of the OTC Drug Review regulations is paramount to maintaining the integrity of the NDA process. Those members of the regulated industry who market their OTC drugs in compliance with applicable monographs expect FDA to eliminate unfair competition from those who ignore monograph requirements.

Pharmacy Compounding

FDA recognizes that pharmacists traditionally have extemporaneously compounded reasonable quantities of drugs upon receipt of a valid prescription for an individually identified patient from a licensed practitioner. However, FDA believes that a significant number of licensed pharmacies are engaged in manufacturing and distributing unapproved new drugs for human use in a manner that is outside the bounds of traditional pharmacy practice. For example, some pharmacies make large quantities of unapproved drug products in advance of receiving a valid prescription for them, or copy commercially available drug products when there is no medical need for a compounded product. Furthermore, some pharmacies have been found to compound drugs that are contaminated or that are dangerously subpotent or superpotent in a manner that can threaten public health. In such situations, FDA may need to take enforcement action in accordance with the Act to protect the public health.

FDA continues to work with state regulatory authorities, providing support as needed for their regulation of pharmacy compounders. FDA has also issued several warning letters and untitled letters to firms, including warning letters to two pharmacies that were compounding fentanyl (a strong opiate) “lollipops” and dispensing them without the labeling and other packaging and patient safety features required for the FDA-approved product. In addition, FDA sought and was granted inspection warrants to inspect two pharmacies to determine whether these pharmacies were engaged in manufacturing operations or were otherwise in violation of the Act. FDA is in the process of revising a draft pharmacy compounding compliance policy guide and plans to hold a public meeting soon to address pharmacy compounding issues.

Import Compliance

FDA components including CDER’s Office of Compliance worked with the field import district offices and the U.S. Customs in developing categories of drug products targeted during "blitz" operations scheduled at different major mail import centers. These "blitz" operations are held cooperatively with CBP to identify the type and origin of drug products being offered for import into the U.S. through the mail, with emphasis placed on counterfeit, misbranded, adulterated, and restricted distribution drug products. CDER also responds to inquiries concerning import and export regulations and enforcement policy from the regulated industry, consumers, consultants, and health care professionals.

Other inquiries come from field import offices concerning importation of unapproved and investigational drug products, and drugs being imported in advance of application submission and final approval. CDER drafts, reviews, and approves for issuance import alerts which are utilized by various FDA field offices to decide which drugs should be refused entry into the U.S. CDER also interprets the agency's Personal Import Policy (PIP) for other federal agencies such as the DEA and customs. In addition, it handles consumer and small business inquiries concerning the PIP policy.

Recent FDA/U.S. Customs Import Blitz Exams Continue Reveal Potentially Dangerous Illegally Imported Drug Shipments

FDA and the United States Customs and Border Protection Agency announced in January 2004 that their second series of import blitz examinations found 1,728 unapproved drugs, including so-called "foreign versions" of FDA-approved drugs, recalled drugs, drugs requiring special storage conditions, drugs requiring close physician monitoring and drugs containing addictive controlled substances.

Information Technology

To support the goal of efficient risk management and to enable the human drugs program, FDA is working to apply information technology by developing and managing systems that provide the FDA with the technical tools to manage the review process and to provide the means to evaluate post-marking drug safety. The program's Automated Drug Information Management System (ADIMS) is being developed as a fully electronic information management system to receive, evaluate, and disseminate information about investigational and marketing submissions for human drugs and therapeutic biologics. With ADIMS, FDA is addressing its electronic document receipt and validation processes and efforts to develop scientific tools that aid submission evaluation, such as tools to review structured clinical data, labeling data, and drug ingredients. Further, the human drugs program leverages the wealth of data in its Adverse Event Reporting System (AERS) to assist medical officers involved in the review process by providing a data mining tool to identify trends in adverse event data.

EMPOWERING CONSUMERS FOR BETTER HEALTH

FDA is committed to enhancing our communication methods to prevent any harm to the U.S. public that may occur due to the lack of accurate and timely information about a drug product. The human drug program is engaged in a variety of activities designed to better enable consumers to make informed decisions weighing benefits and risks of FDA-regulated products.

FDA is collaborating with organizations such as the National Patient Safety Foundation on outreach activities targeting consumers to educate them about the safe use of pharmaceuticals. We are collaborating with the National Council for Patient Information and Education, who is leading the private-sector initiative to bring the industry into compliance with P.L. 104-180 which states that by 2006, 95 percent of all individuals should receive useful written medication information with new prescriptions.

CDER is developing education campaigns to disseminate consumer friendly information on drug products to promote the safety and quality of drug products. We are continuing a Generic Drug Education Program aimed at both consumers and healthcare professionals to inform them about the safety, effectiveness and quality of generic drug products.

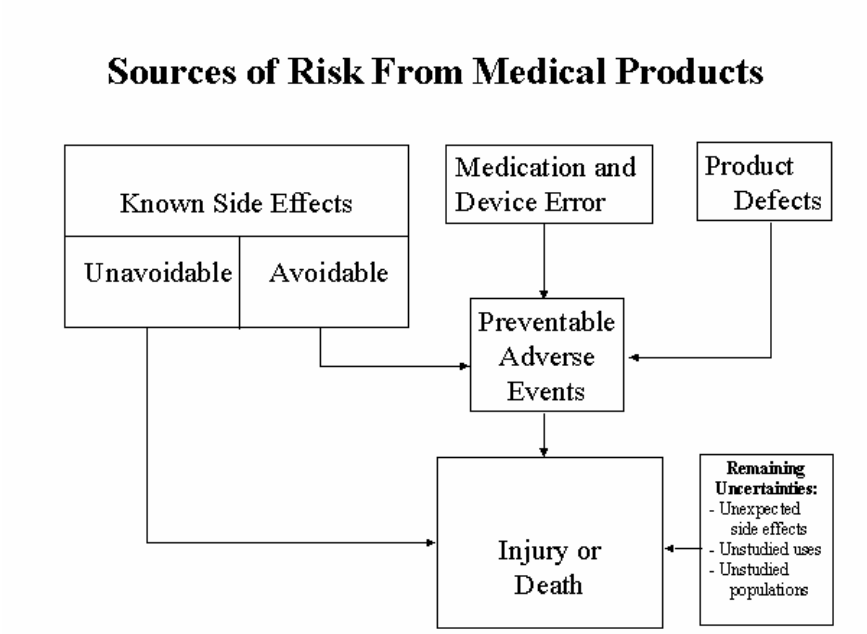
FDA develops timely press releases that warn the public about potential hazards associated with purchasing particular products from stores or over the Internet. For example, the Agency issued several press releases that advised the public not to purchase products promoted as alternatives to illicit street drugs (street drug alternatives) and not to purchase products with special safety considerations, such as Accutane, over the Internet.

PATIENT AND CONSUMER PROTECTION

The practical size of pre-marketing clinical trials means that we cannot learn everything about the safety of a drug before we approve it. Therefore, a degree of uncertainty always exists about the risks of drugs. This uncertainty requires our continued vigilance to collect and assess data during the post-marketing life of a drug. Once a drug is approved for sale, FDA monitors the use of marketed drugs for unexpected health risks. If new, unanticipated risks are detected after approval, we take steps to inform the public and change how a drug is used or even remove a drug from the market. We also monitor manufacturing changes to make sure they won't adversely affect the safety or efficacy of the medicine. FDA evaluate reports about suspected problems from manufacturers, health care professionals and consumers and trys to make sure that an adequate supply of drugs is always available. FDA also must be vigilant to protect Americans from injuries and deaths caused by unsafe, illegal, fraudulent, and substandard or improperly used products.

CDER monitors the quality of marketed drugs and their promotional materials through product testing and surveillance. As Americans are increasingly receiving the benefits of important new drugs before they are available to citizens of other countries, we must be especially vigilant in our surveillance to prevent fraudulent activities involved with the sale of approved and unapproved prescription drugs. In addition, we develop policies, guidance and standards for drug labeling, current good manufacturing practices, clinical and good laboratory practices and Industry practices to demonstrate the safety and effectiveness of drugs. A comprehensive safety system for medical products is a critical priority. FDA's current systems are not intended to, and cannot, uncover the incidence of adverse events, their preventability, or the overall health and economic impact on Americans. FDA has been partnering with others in DHHS to promote patient safety and prevent medical errors.

FDA's pharmacovigilance program, which is a key component is AERS, provides safety data from this real-world experience. As shown below, the sources of risk from medical products approved by FDA include those that are known ("Known Side Effects"), errors in the use of a medication or device ("Medication and Device Error"), defects in the manufacture of the product ("Product Defects"), and side effects not known at the time of FDA approval ("Remaining Uncertainties").

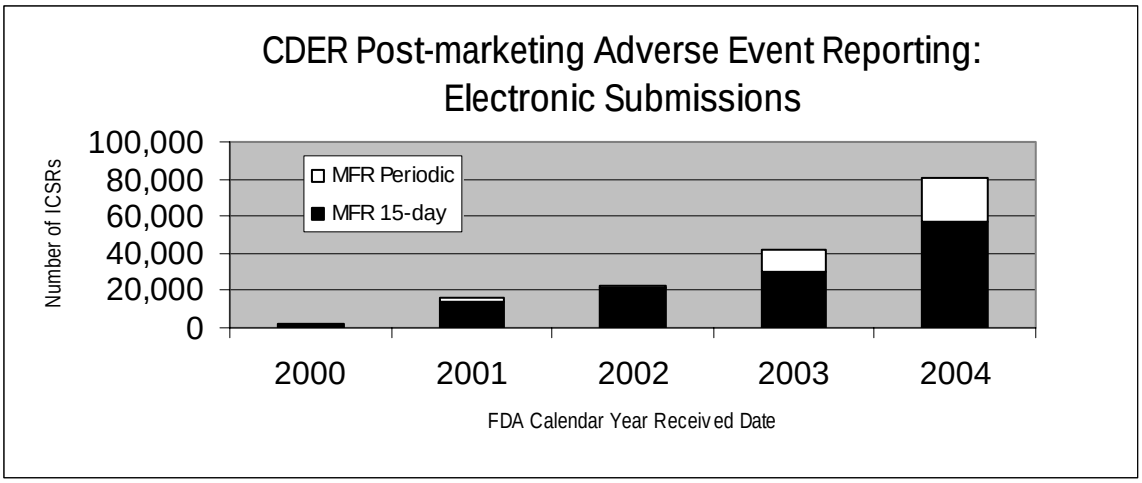


FDA's ongoing risk assessment, risk management, and risk communication efforts help assure medical product safety in the U.S. Maintaining drug and biologic product quality also helps assure the public that drugs and biologic therapeutics are safe. Pharmacovigilance activities include processing and evaluating reports of adverse drug and biologics events via the AERS database and analyzing epidemiological trends and drug usage in the U.S. that impact drug safety

CDER conducts investigations of reported errors to collect information program managers need to assess the error, and develop error reduction strategies with manufacturers and the medical community. We review adverse event and complaint files at manufacturers during inspections for compliance with FDA reporting regulations and to conduct follow up inspections on adverse event reports when information from the manufacturer is needed to evaluate the risks involved.

CDER operate the MedWatch Program, which permits health care professionals to voluntarily report observed or suspected defects and quality problems associated with marketed drug products. FDA reviews these reports to identify potential health hazards, initiates investigational follow-up, and takes appropriate enforcement action. The Agency reviews hundreds of thousands of reports per year and numerous reports result in product recalls and voluntary corrective actions by industry.

CDER is making progress in encouraging electronic submission of adverse events which save time and money. The graph shows the gradual improvement we are making in electronic receipt of adverse events.



To supplement the adverse event data, FDA is working to establish contracts for safety monitoring data links that include data on product exposure and extensive patient information. The Agency is developing access to external databases with other government agencies, states, academia, and independent health organizations such as hospitals, to enhance FDA's ability to monitor the public health impact of FDA regulated products.

CDER is involved in a variety of other patient safety-related activities including:

- Working with all interested governmental agencies and private organizations to coordinate collection of adverse event data;
- Monitoring promotion of drug and biologic products to assure the American public that information provided presents a fair balance of risks and benefits and is not false or misleading;
- Identifying health hazards associated with the manufacturing, labeling, and packaging of pharmaceuticals and biologics; removing unsafe and ineffective products from the marketplace;
- Coordinating with Medical Device contractors to continue implementation of drug products into MeDSuN, which is designed to train hospital personnel to accurately identify and report injuries and deaths associated with medical products. This model will be used for both medical device and drug products;
- Providing training for field staff to improve the information gathered through investigation of consumer complaints and reports of medical errors;
- Conducting product safety biomedical research in areas such as new cells used to produce drugs and biologics. Rapid advances in technology and the evolving HIV pandemic are stimulating a need in the field of biologicals to use new types of cell substrates and to develop new assays and assess the reliability of current assays used to monitor product safety. This is coupled with other public health crises of global proportions, such as hepatitis B/C infections, the constant threat of pandemic influenza, and the treatment of genetic defects;
- Developing new, specific, and sensitive techniques and assays to validate and detect a greater variety of known potentially infectious viruses. A prime objective of safe

biological therapeutic products is detection, identification, and elimination of adventitious agents. One of the chief concerns inherent in biologicals is the potential for the presence of adventitious agents (infectious for humans) in the approved product; and,
- Maintaining reporting systems to collect biological therapeutic product deviation events that occur during manufacturing processes or storage of all biological products;

Further, FDA is continually improving and refining its surveillance efforts by,

- Establishing methods to evaluate the net beneficial impact of risk management plans;
- Seeking appropriate expertise from drug safety leaders in academia, government, trade associations, consumer groups, and industry;
- Assuring the internal use of data standards that are compatible with those used in Government-wide and International initiatives;
- Taking measures (i.e., rulemaking) to increase the number of safety reports submitted electronically;
- Conducting research into quantitative methods of adverse event signal detection;
- Acquiring and developing data systems to detect drug use patterns and practices that enhance safety; and
- Maintaining access to large repositories of population-based health care data for the timely conduct of epidemiologic studies for quantification of safety signals.

Human Subject Protection

FDA takes its role of protecting human subjects involved in clinical trials very seriously. CDER verifies the quality and integrity of data submitted to us to assure patient safety. In addition, the center protects human research subjects who participate in drug studies and assess the quality of data from these studies by conducting annual onsite inspections and data audits by performing on-site inspections of clinical trial study sites, institutional review boards, sponsors, study monitors, and contract research organizations. CDER also conducts inspections to increase oversight of high-risk IND applications and convene conferences of investigators who are the most experienced professionals in the field discuss appropriate monitoring practices.

Compliance Oversight of Marketed Prescription Drugs

FDA continues to protect the public health by assuring that marketed prescription drugs comply with the new drug approval and labeling requirements of the FFDC Act. This helps ensure that drug products available to the consuming public are safe and effective and labeled correctly to assure their proper use.

Compliance oversight includes review of and providing litigation support for recommended regulatory and legal actions, in both civil and criminal proceedings. It also includes responding to requests for information from both internal and external stakeholders on new drug and labeling compliance issues; preparing assignments to FDA field offices for inspections and investigations and coordinating case development and

compliance actions with regard to new drug and labeling violations; developing and/or reviewing legislative proposals, proposed regulations, policy and guidance documents, enforcement strategies, and outreach activities relating to new drug and labeling compliance issues; and working on a draft compliance policy guidance document that describes how FDA intends to exercise its enforcement discretion regarding certain marketed unapproved drugs.

Internet Drug Sales

At present, there are an exploding number of new web sites marketing FDA regulated products, consumers and medical professionals. FDA monitors potentially fraudulent Internet sites to identify targets for investigation and sampling of products. FDA conducts undercover purchases of prescription drugs from Internet sites suspected of engaging in illicit drug sales, distribution, and/or marketing and we provide oversight of mail and courier packages entering from foreign sources. The Agency uses a risk-based assessment protocol to prioritize and take enforcement action against firms that are illegally marketing products over the Internet. Actions include warning letters, untitled letters, seizures and injunctions.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

FDA plays a critical role in the war on terrorism. Base resources will be used to strengthen the CDER's capability to identify, prepare for, and respond to biological, chemical, and radiological/nuclear threats and incidents. The Program performs the following counterterrorism activities:

FDA is engaged in many efforts to promote the development of medical countermeasures. The Agency encourages early and frequent interactions with sponsors, whether they are developing a novel compound or a new indication for a previously approved product. Regulatory mechanisms, such as Fast Track Designation, use of surrogate markers, or development under the Animal Efficacy Rule, and guidance documents are available to accelerate submission and review. In March 2004, FDA released the "Draft Guidance for Industry: Vaccinia Virus — Developing Drugs to Mitigate Complications from Smallpox Vaccination."

FDA also assesses the potential of new indications for previously approved products where commercial development incentives are lacking. For example, FDA provided funding to an NIH Inter-Agency Agreement (IAG) for the DOD to test the efficacy of several approved antibiotics in non-human primate plague studies. The Agency also provided funding through an IAG with the CDC to conduct human plague trials in Africa, with enrollment that began in the Fall 2004. The funding for both agreements is approximately $3.5 million and their studies are ongoing. FDA will review these data to conclude whether gentamicin, and perhaps other antibiotics, may receive approval for a plague indication.

FDA is actively working to expand the availability of safe and effective medical countermeasures for special populations (e.g., pregnant or lactating women, infants,

elderly) through contracts that fund pharmacokinetic and safety studies of antibiotics likely to be used to prevent or treat illness following a terrorist attack.

FDA Approves Drugs to Treat Internal Contamination from Radioactive Elements

FDA announced the approval of two drugs, pentetate calcium trisodium injection (Ca-DTPA) and pentetate zinc trisodium injection (Zn-DTPA) for treating certain kinds of radiation contamination. These drugs were approved as part of a ongoing effort to provide the public with the best available protection against nuclear accidents and terrorist threats.

To further stimulate submission of NDA's, FDA gathers pertinent scientific information, analyzes the data, and synthesizes publicly available documents supporting future regulatory applications. In 2003, FDA examined the evidence for Prussian Blue for exposure to radioactive elements that could be released from a "dirty bomb". Since the 1960s, it has been administered to patients as an investigational drug to enhance excretion of cesium and thallium from the body. FDA reviewed the data and literature, determined safety and efficacy, and published this finding, along with draft labeling, to encourage manufacturers to submit marketing applications. Such applications generally require only chemistry and manufacturing information. FDA provides potential sponsors with draft labeling. In October 2003, FDA approved Radiogardase™ (insoluble Prussian blue; Heyl Chemisch-Pharmazeutische Fabrik GmbH & Co) capsules.

Patient access to medical countermeasures during a terrorist event is critical. FDA is taking steps to assure that processes are in place if unapproved product is required in response to an event. The National Defense Authorization Act and the recently enacted Project BioShield Act of 2004 provides for Emergency Use Authorization (EUA) where it is reasonable to believe that a product may be effective in the diagnosis, treatment, or prevention of illness from a terrorist agent. FDA is currently prioritizing potential EUA candidates and developing procedures for review of available information. These labor intensive efforts are in addition to the normal drug reviews that encompass FDA's usual business. FDA continues to collaborate with other agencies on the development of INDs to allow access to investigational medical countermeasures. FDA and the CDC are also developing processes for the collection of post-event safety and outcome information on distributed products.

FDA staff participates in a number of committees to facilitate development of medical countermeasures and to provide recommendations on acquisition of products. Inter-Agency groups include subgroups under the White House's Weapons of Mass Destruction Medical Countermeasures Subcommittee and Counterproliferation Technology Coordinating Committee, CDC's Strategic National Stockpile (SNS) Intragovernmental Committee (CDER's representative is a voting member), FDA/CDC Post-Event Surveillance Working Group, Office of Public Health Emergency Preparedness (OPHEP) Smallpox Risk Management Working Group, OPHEP Botulinum Risk Management Working Group, and Second Critical Agents Evaluation and Prioritization meeting in July 2004. Intra-Agency groups include the Inter-Center

Scientific Application of the Animal Rule Working Group, Inter-Center Nuclear/Radiological Countermeasures Working Group, planning group for the Immune Therapies for Anthrax Public Workshop, and CDER Radioeliminators Guidance Working Group.

FDA interacts frequently with the SNS to support the development, availability, maintenance, and deployment of stockpiles of medical countermeasures. FDA provides responses on proposed acquisitions, shelf-life issues, supply and manufacturing inquiries, and regulatory questions. FDA coordinates with the VA, CDC, and SNS on the Shelf-Life Extension Program to extend the shelf-life of stockpiled drugs. FDA released the "Guidance for Federal Agencies and State and Local Governments: Potassium Iodide Tablets Shelf Life Extension" in March 2004.

FDA is also actively involved in emergency preparedness and response activities by participating in exercises that establish appropriate communications procedures for emergency situations. In FY 2004, FDA participated in the international Global Mercury, Federal Government's Scarlet Cloud, and FDA's Orange Sunrise and Chem-Bio Response Plan exercises. During 2005 CDER will participate in TOPOFF III. These exercises ensure FDA's ability to maintain vital operations and service throughout and following terrorist attacks. FDA maintains crisis management plans, including the Continuity of Operations Plan (COOP) that are coordinated and reactive to the Agency crisis management plan, and ensures that personnel are trained in implementation.

FDA through its ORA conducts GMP inspections of drug manufacturing sites whose products are stockpiled as part of the government's counterterrorism efforts, assures regulated drug and therapeutic biological products are not used as vehicles of terrorism, maintains procedures and plans to ensure the safety and security of personnel, physical assets, and information, and maintains procedures and plans to ensure the safety and security of information technology assets, including essential databases, hardware and networking capacity.

IMPROVING FDA'S BUSINESS PRACTICES

Strong and sound science means Human Drug Program scientists stay on the cutting edge of new technologies. Our mission depends more than ever on a solid cadre of experienced physicians, toxicologists, chemists, statisticians, mathematicians, project managers and other highly qualified and dedicated professionals. The following are examples of activities that fulfill this strategic goal:

E-Government

The program's information technology efforts go right to the heart of the PMA for E-Government, by using improved Internet-based technology to make it easy to interact with the government, save taxpayer dollars, and streamline communications. Primarily, the program's efforts target the following two President's e-Government Initiatives:

- Government to Business initiatives: to reduce burdens on business, provide one-stop access to information and enable digital communication using XML; and,

- Internal Efficiency and Effectiveness: to advance partnering and end-user focus and to reduce stovepipe systems.

As an example of "Government to Business", FDA has worked diligently with our partners in the International Conference on Harmonization (ICH) on the Common Technical Document (CTD) of the New Drug Application. The CTD provides a harmonized format and content for new product applications in the US, the European Union, and Japan. While the CTD is based on a paper paradigm, the FDA has also worked with our partners in ICH to develop the Electronic Common Technical Document (eCTD) to provide the electronic transmission of CTD applications from applicant to regulator. The eCTD format will replace many of the current electronic submission formats and allow the electronic transmission of applications that currently do not have an electronic solution. Leveraging a common technology across submission types will enhance the review process by allowing the FDA to build a common infrastructure and user interfaces for multiple submission types.

FDA is committed to developing an integrated, fully electronic internet-based or web-capable information management system for receipt, evaluation, and dissemination of human drug safety and effectiveness data coming into the FDA through investigational and marketing applications and related submissions.

This commitment supports both aspects of e-Government mentioned earlier. Specifically, FDA processes an increasing number of electronic drug applications from businesses. Approximately 75 percent of original NDAs received by the Program now include sections submitted electronically and a growing number of these are provided electronically, and this percentage is accelerating. The Program is also committed to several efforts to improve internal efficiency and effectiveness. The program is re-designing and modernizing its internal document and data processing systems used during the drug review process. This modernization also includes consolidating functions, as applicable, with the review of biologic products. The Program is also fully implementing Agency plans for consolidating information technology infrastructure Agency-wide to eliminate the stove-pipe network and desktop equipment and customer service within FDA.

FDA's information technology staff supports the goal for "a strong FDA" by translating the vision of electronic submissions for drug applications and adverse event reports into viable technical systems. The IT staff manage the electronic Common Technical Document (e-CTD) product by gathering requirements for new releases, resolving any technical problems that arise, and implementing new releases. Electronic submissions of adverse event reports, particularly by the pharmaceutical industry, are a top priority for FDA, and an important component of the e-government strategy. The IT staff defines and manages the technical infrastructure that enables electronic submissions of adverse events and is proactively working to increase the number of firms submitting and the technical capacity to handle the move to 100% electronic submissions.

In addition to e-government, IT staff manage many functions such as steady-state system management, contract management of IT systems, project management for new development, and IT security. Further, the staff is responsible for requirements management, configuration management, and system test management for effective development of systems, and development and maintenance of an overarching Enterprise Architecture that integrates business, performance, technology, and data.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

Risk management is at the core of CDER's mission. Almost everything the center does in the review and approval of Human Drugs relates to weighing the benefits of a product to its risks. CDER's FY 2004 accomplishments include new, generic, and OTC drugs as well as accomplishments of managing the risks of drugs in the pediatric population.

As the Agency Strategic Plan explains, "efficient risk management" requires using the best scientific data, developing quality standards, and using efficient systems and practices that provide clear and consistent decisions and communications for the American public and regulated industry. Accomplishments toward objectives and strategies of the Agency Strategic Plan are included here as well.

New Drug Evaluation

FDA approved several important NDAs in FY 2004 as shown in the table below:

Significant NDAs Approved in FY 2004

Drug	Purpose
Memantine (NAMENDA)	For treatment of moderate to severe Alzheimer's Disease; this is the first drug approved for the treatment of patients with this severity of disease. Previous treatments for Alzheimer's Disease have been studied in less severely affected (mild to moderate) patients.
Radiogardase	Also known as Prussian blue, to treat people exposed to radiation contamination, due to harmful levels of cesium-137 or thallium. Radiogardase capsules contain Ferric (III) hexacyanoferrate(II).
Gleevec	Received regular approval as a second line treatment for refractory Chronic Myeloid Leukemia (CML), a rare life threatening from of cancer-affecting about 40,000 people in the United States; regular approval means that the FDA has determined that Gleevec has demonstrated a long-term clinical benefit for refractory CML patients. When Gleevec was originally approved under the accelerated approval program in May of 2001, available evidence indicated that a long-term clinical benefit was highly likely but further studies were necessary to confirm it.

Drug	Purpose
Alimta (pemetrexed disodium)	For use in combination with cisplatin for the treatment of patients with malignant pleural mesothelioma-a rare type of cancer. Alimta received a priority review and is designated as an orphan drug. It is the first drug approved for this condition. Cancer of the mesothelium, a membrane that covers and protects most of the internal organs of the body is rare; about 2,000 new cases are diagnosed in the United States each year. This form of cancer is usually associated with a history of asbestos exposure. Asbestos fibers lodged in the lung attach to the outer lung lining and chest wall, causing tumors to grow. By the time symptoms appear, the disease is usually advanced, and patients live, on average, nine to thirteen months following diagnosis.
Avastin (bevacizumab)	As a first-line treatment for patients with metastatic colorectal cancer -- cancer that has spread to other parts of the body. Avastin, a monoclonal antibody, is the first product to be approved that works by preventing the formation of new blood vessels, a process known as angiogenesis.
Aldara (imiquimod)	Aldara (imiquimod) topical cream approved for a new indication. This product is currently approved for the treatment of actinic keratosis and external genital warts. In FY 2004, FDA approved its use for the treatment of superficial basal cell carcinoma (sBCC), a type of skin cancer.

NDAs Approved under Accelerated Approval in FY 2004

Drug	Purpose
Erbitux (cetuximab)	To treat patients with advanced colorectal cancer that has spread to other parts of the body. Erbitux is the first monoclonal antibody approved to treat this type of cancer and is indicated as a combination treatment to be given intravenously with irinotecan, another drug approved to fight colorectal cancer, or alone if patients cannot tolerate irinotecan.
Vidaza (azacitidine)	The first effective treatment for patients with Myelodysplastic Syndrome (MDS). The product was given Fast Track Status and a priority review. By restoring normal growth and differentiation of bone marrow cells, this new treatment will offer a much needed option for patients suffering from this rare illness that, in some cases, has been found to progress to leukemia, a type of cancer.
Cymbalta (duloxetine hydrochloride)	Capsules for the management of the pain associated with diabetic peripheral neuropathy. This is the first drug specifically approved for this indication.

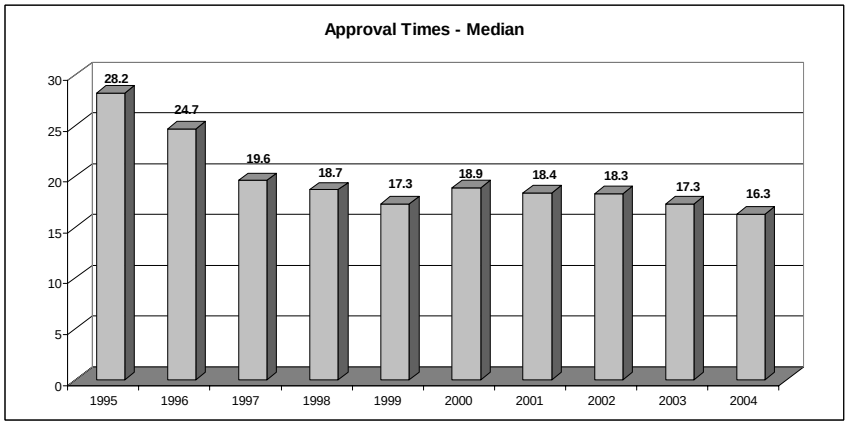
Generic Drug Review

In December of 2003, the President signed the Medicare Prescription Drug, Improvement and Modernization Act of 2003, portions of which provides for more timely approvals of generic drug products. As noted below, OGD has approved greater numbers of generic product thus helping to lower drug costs for millions of Americans. The following are significant generic drugs that will contribute to the goal and assure greater access to affordable health care:

- *Fluconazole Tablets, Injection and Oral Suspension* – Fluconazole is a widely used bis-triazole antifungal agent. There were 41 generic approvals.
- *Benazepril Hydrochloride Tablets* – This is an angiotensin-converting enzyme (ACE) inhibitor drug used to treat high blood pressure. There were 16 generic approvals.
- *Ciprofloxacin Tablets, USP, Injection and Ophthalmic Solution* - Ciprofloxacin is an antibiotic that stops multiplication of bacteria by inhibiting the reproduction and repair of their genetic material (DNA) and may be used for anthrax exposure in the event of a bioterrorist attack. There were 16 generic approvals.
- *Ribavirin* - is used in combination with interferon to treat chronic hepatitis C. As a single source product it was very costly. There were 5 generic approvals.
- *Metformin Extended Release* – Used to treat Type II diabetes.
- *Gabapentin* – Used to treat certain seizure disorders.

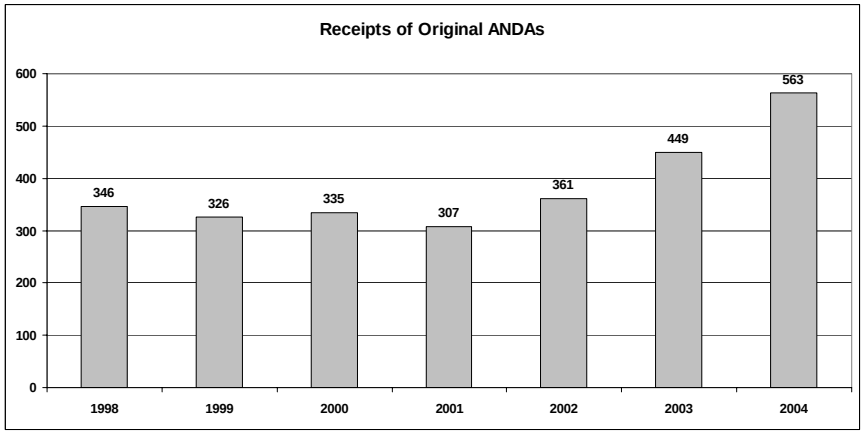
The OGD began work on the President's Emergency Plan For AIDS Relief (PEPFAR). This is a mechanism for FDA to assess the quality, safety, and efficacy of products to treat AIDS in developing nations. The program was initially intended to evaluate only fixed-dose combination products but has expanded to single entities. Several firms have submitted applications and OGD is working with them and others to assure timely action on these applications.

Reviewed and acted on over 91 percent of fileable original generic drug applications within six months of submission and reduced the median approval time from 18.3 months in 2002 to 17.3 in FY 2003 to 16.3 in FY 2004.



The OGD is continually increasing communications with the generic drug industry with a goal of improving the quality of the generic applications thus increasing first cycle approvals and decreasing overall time to approval. Some examples of our outreach to industry include:

- Presented information to the Generic Pharmaceutical Association (GPhA) at the GPhA Fall Technical Workshop;
- Presented two "ANDA Basics" workshops;
- Participated in the GPhA annual meeting;
- Presented several workshops on electronic submissions (CTD/E-CTD);
- Presented a Webcast on Good Manufacturing Practices (GMPs);
- Initiated dialogue on the proposed regulation to require submission of all Bioequivalence studies; and,
- Participated in several telecoms with GPhA and the GPhA Technical Advisory Committee.



In FY 2004, the OGD continued to add staff to meet its ever increasing workload demands. A new division of chemistry was established along with an additional bioequivalence review team. There was a 24 percent increase in receipts of original ANDAs from FY 2002 to FY 2003 and an additional 25 percent increase from FY 2003 to FY 2004. There has also been an emphasis on electronic submissions with just about all submissions having an electronic component.

CDER and OGD remain committed to increasing consumer awareness of the safety and effectiveness of generic drugs and to informing the public about the rigorous review process required for the approval of a generic product. Various public service announcements and advertisements have been used to address this issue.

Staff responsible for the Orange Book has been working to streamline their processes and make the information more readily available. The Orange Book will be available online only thus eliminating the effort expended in publication of the hard copy. The staff has begun daily patent listings and plans additional improvements to assist the health care community.

In FY 2004, FDA began providing more information to the public to help generic drug applicants determine if they are eligible for 180-day marketing exclusivity for their products. This period of marketing exclusivity is generally provided to the first generic

drug that challenges a patent for the innovator product. This marketing exclusivity is an effective incentive for generic drug development provided under the Hatch-Waxman Amendments to the FFDCA. With better, more transparent information, generic manufacturers will be able to plan their development of additional generic products more effectively. This step further facilitates the development and availability of generic drugs, which are an increasingly important way to provide the public with safe, effective and affordable medical treatment. In response to two citizen petitions, FDA will now disclose on its website the date on which the first substantially complete generic drug application containing a challenge to a patent listed for the innovator drug was submitted to the agency. FDA had previously posted on the website certain other information regarding generic drug applications.

OTC Drug Products

In FY 2004, the OTC staff approved a total of 6 NDAs. Significant approvals included:

- Claritin Tablets, Syrup, and Reditabs for the treatment of hives, and
- Zantac 150 (higher OTC dose) for the prevention and treatment of heartburn.

Highlights for other significant accomplishments include:

- Approving 6 new efficacy supplements for new product uses;
- Acting on 117 supplement submissions regarding changes to manufacturing procedures;
- Acting on 35 labeling supplement submissions regarding changes to product labeling;
- Conducting 63 meetings with drug companies;
- Publishing 18 Federal Register notices for OTC monographs;
- Answering 12 citizen petitions;
- Completing 4 time and extent applications;
- Answering 9 Congressional Requests including 1 Congressional hearing; and,
- Publishing 1 guidance document and drafting 18 others.

Significant new Federal Register Publications regarding OTC products included publishing proposed rules on revised labeling of sodium content in OTC drugs and revised labeling for cough/cold drug products in the OTC monograph. Further, FDA published a final rule on labeling for calcium, magnesium, and potassium content in OTC drugs anti-diarrhea drug products.

Pediatric Drug Studies

As of September 30, 2004, FDA reviewed 353 Proposed Pediatric Study Requests (PPSR), issued 295 Written Requests for on-patent drugs asking for over 687 studies to be conducted in the pediatric population, and granted exclusivity to 101 out of the 102 products that had a pediatric exclusivity determination. Eighty-two of the 102 products that had a pediatric exclusivity determination had approved labeling incorporating information from the pediatric studies.

In FY 2004 alone, 20 products had pediatric determinations, 19 of which were granted pediatric exclusivity. Twenty-three labels were approved for drugs granted exclusivity. In addition, FDA published 5 abstracts, 6 pediatric labeling articles in the *AAP News*, and 5 articles or book chapters, and participated in 29 outside presentations or liaison activities for various audiences. FDA also has successfully collaborated with NIH as a result of the BPCA. Further, FDA implemented the off-patent process for contracting for pediatric studies and issued 4 Written Requests for off-patent drugs. Other selected accomplishments for FY 2004 in the Pediatrics area include:

- Three Pediatric Advisory Subcommittee and one Pediatric Advisory Committee meetings, where post-pediatric exclusivity adverse events reports were presented on 24 drugs;
- Medical and clinical pharmacology reviews were posted on the pediatric webpage for 22 drugs at the time of action and reviews for 5 SSRI drugs were made public; and,
- One FDA/NIH Newborn Initiative Workshop with over 200 experts in attendance to facilitate drug trials for sick neonates.

Information Technology

A number of initiatives involving data standards were completed in 2004. These data standards allow international harmonization and will be integrated into electronic repositories: Study Data Tabulation Model (SDTM), Annotated ECG waveform data standard, and Structured Product Labeling standard. The data standards support the development of several important tools that will be used in the review process.

EMPOWERING CONSUMERS FOR BETTER HEALTH

In FY 2004, FDA issued draft guidance documents designed to improve communications to consumers and health care practitioners about health conditions and medical products. The guidance is the result of FDA research and policy development, and was influenced by public participation at an open meeting on consumer-directed advertising held by FDA in September 2003. This guidance is evidence that FDA intends to do all possible under the law to make sure that the information conveyed by prescription drug promotion is as useful as possible. This guidance provides new direction to sponsors on how to provide higher-quality health information to the public, based on recent evidence on what works and what does not in drug promotion. The evidence shows that promotions directed to consumers can play an especially important role in helping patients start a discussion with their health care practitioner about conditions that are often unrecognized and therefore under treated, such as diabetes, high blood pressure, high cholesterol, and depression. The draft guidance provides alternatives to the lengthy, detailed, and technically-written "brief summary" of risk information for consumer-directed print advertisements for prescription drugs, with the goal of increasing consumer understanding of the key risks of the product and it provides advice for manufacturers on the use of disease awareness communications, which are designed to educate patients or health care practitioners about particular diseases or health conditions, and do not promote a particular medical product, with the goal of getting more patients to discuss under-treated conditions with their doctor.

As part of its continuing efforts to see that patients and consumers have the information they need to make informed choices, FDA launched a new easy-to-use web site to help consumers and health professionals find information about FDA-approved drug products more quickly and efficiently. The new interface, ***Drugs @ FDA*** is a searchable database that includes information on approved prescription drugs, some over-the-counter drugs, and discontinued drugs. Located on CDER's web page, it is the first web resource to offer a comprehensive overview of a drug product's approval history. ***Drugs @ FDA*** makes all drug approval information available on one site so that users no longer have to visit several web pages for information on brand name and generic drugs. The database incorporates information from all parts of CDER's website, including Consumer Information Sheets, Medication Guides, labeling, and other information for patients. Eventually information on recalls, warnings, and drug shortages will also be included. Users can easily search or browse this site by drug name or active ingredient to retrieve a complete approval history and accompanying documents for a particular drug product.

*With **Drugs @ FDA,** users can:*

- *find out if therapeutic equivalents exist including generics for brand name drugs.*
- *Get the latest FDA information, including consumer-focused information like Medication Guides, for drugs they have been prescribed or that their doctor is considering;*
- *Identify therapeutically equivalent drugs for prescription medicines, and alternative OTC drugs with the same active ingredient, to help them identify the medicine that is best for them*
- *Determine whether generic*

FDA made great progress in its campaign to inform healthcare providers and consumers about antimicrobial resistance. Many significant accomplishments were made in FY 2004, including:

- Continuing to fund staff responsible for reviewing drug applications associated with antimicrobial drug therapy and antimicrobial resistance, and providing guidance for the development of these products;
- Publishing the final rule for the *Labeling Requirements for Systemic Antibacterial Drug Products Intended for Human Use* (Vol. 68, No. 25, February 6, 2003, page 6062), by providing information and guidance to the pharmaceutical industry regarding the new labeling requirements for antibacterial drugs to foster appropriate antimicrobial use and reduce the development of drug-resistant bacteria; and,
- Performing additional analyses of antimicrobial resistance in selected bacterial pathogens using data from Focus Technologies. This is year two of a five-year contract with Focus Technologies to monitor and identify current and emerging resistant organisms that pose a significant health threat to the public. The Focus contract allowed FDA to address several Action Items in the *Public Health Action Plan To Combat Antimicrobial Resistance* (http://www.cdc.gov/drugresistance/actionplan/2002report/index.htm), including developing a surveillance plan for antimicrobial drug resistance among clinical laboratory isolates to facilitate drug development; reviewing private sector

surveillance data to determine whether the data has potential to support FDA regulatory and scientific activity; and, identifying and evaluating methods for collecting and disseminating the surveillance data on antimicrobial drug use.

FDA launched a national education campaign to provide advice on the safe use of OTC pain relief products. Though pain relievers and fever reducers are safe drugs when used as directed, they can cause serious problems when used by people with certain conditions or those who are taking specific medicines. FDA's nationwide campaign focused on the OTC pain and fever reducers that contain acetaminophen and non-steroidal anti-inflammatory drugs (NSAIDs), which include products such as aspirin, ibuprofen, naproxen sodium and ketoprofen. Many OTC medicines sold for different uses have the same active ingredient. For example, a cold-and-cough remedy may have the same active ingredient as a headache remedy or a prescription pain-reliever. To minimize the risks of an accidental overdose, consumers should avoid taking multiple medications that contain the same active ingredient at the same time. The FDA's consumer educational campaign will include: 1) an OTC pain reliever brochure to be distributed in pharmacies, and by health care providers, 2) a "matte release" newspaper article to be distributed to 10,000 community papers across the country, 3) a reprint of "Use Caution With Pain Relievers", an *FDA Consumer* magazine article that will be distributed at national healthcare conferences and available for reprinting in health related publications and 4) two print public service ads that will be sent to approximately 100 major magazines. All of these materials are available on the web at http://www.fda.gov/cder/drug/analgesics/default.htm

FDA improved its web program for faster posting of generic drug information including information regarding approvals, first generics, tentative approvals, suitability petitions, and other information, and increased our external collaborations to improve information for prescribers and consumers to ensure safe and effective use of generic drugs by:

- Developing and publishing new educational messages in English and Spanish;
- Recording a web-based continuing education program for health professionals;
- Partnering with numerous chain drugs stores (e.g., Walgreens; Eckerds, K-Mart) and third-party payers (e.g., Blue Cross/Blue Shield, Medco) to further disseminate information about the quality and equivalence of generic drug products; and,

- Disseminating information to the public about the quality of generic products through magazine ads, radio spots, advertisements on buses, and similar settings.

PATIENT AND CONSUMER PROTECTION

In FY 2004, FDA issued a final rule requiring bar codes on the labels of thousands of human drugs and biological products. The measure will help protect patients from preventable medication errors and reduce the cost of health care and represents a major step forward in the department's efforts to harness information technology to promote higher quality care.

> *"Bar codes can help doctors, nurses and hospitals make sure that they give their patients the right drugs at the appropriate dosage. By giving health-care providers a way to check medications and dosages quickly, we create an opportunity to reduce the risks of medication errors that can seriously harm patients."*

This rule calls for the inclusion of linear bar codes -- such as are used on millions of packages of consumer goods -- on most prescription, and most commonly used OTC drugs used in hospitals and dispensed pursuant to an order. Each bar code for a drug will have to contain, at a minimum, the drug's National Drug Code number. This information will be encoded within the bar code on the label of the product. Companies also may include information about lot number and product expiration dates.

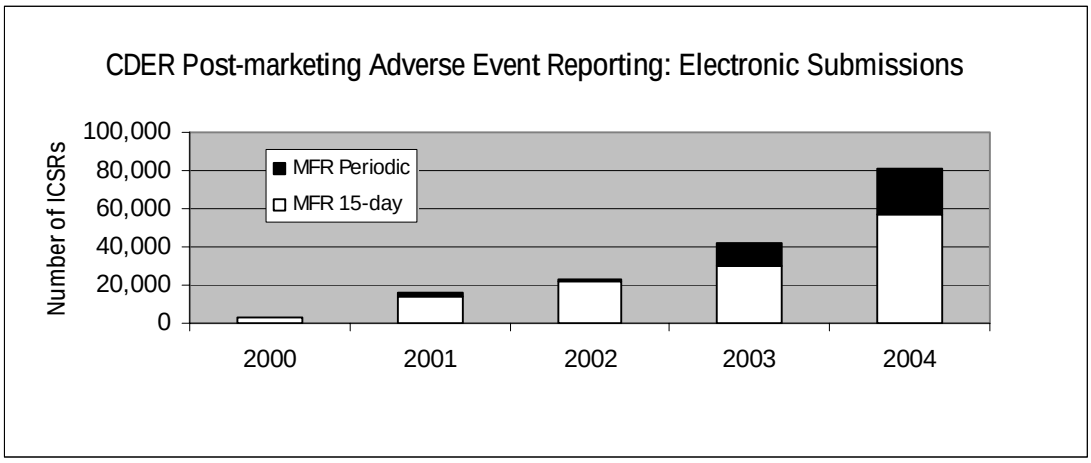
In addition, the rule requires the use of machine-readable information on container labels of blood and blood components intended for transfusion. These labels, which are already used by most blood establishments, contain FDA-approved, machine-readable symbols identifying the collecting facility, the lot number relating to the donor, the product code, and the donor's blood group and type.

The bar-code rule is designed to support and encourage widespread adoption of advanced information systems that, in some hospitals, have reduced medication error rates by as much as 85 percent. In these institutions, patients are provided with identification bracelets that bear a bar code, which identifies the patient. The health care professional then scans the patient's bar code and scans the drug's bar code. The information system then compares the patient's drug regimen information to the drug to verify that the right patient is getting the right drug, at the right time, and at the right dose and route of administration. FDA estimates that the bar-code rule, when fully implemented, will help prevent nearly 500,000 adverse events and transfusion errors over 20 years, with a economic benefit of reducing health care costs, reducing patient pain and suffering, and reducing lost work time due to adverse events is estimated to be $93 billion.

The review of adverse event and medication error reports to identify serious or potentially serious outcomes that might be avoided required substantial expenditure of effort. Staff utilized AERS to detect signals. AERS combines the voluntary adverse drug reaction reports from health care professionals and consumers, and required reports from manufacturers and offers paper and electronic submission options, international

compatibility, and pharmacovigilance screening. As we discover new knowledge about a drug's safety profile, we make risk assessments and decisions about the most appropriate way to manage any new risk or new perspective on a previously known risk. Risk management methods may include new labeling, drug names, packaging, "Dear Health Care Practitioner" letters, education or special risk communications, restricted distribution programs or product marketing termination.

Electronic submissions of adverse experience reports provided FDA and the public with several tangible benefits. Specifically, automating the receipt and processing of safety reports will allow the Agency to be more responsive to public health issues, reduce resources associated with data management, and apply better data and better science to the drug regulatory process. The chart below shows the progress we are making in receiving electronic submissions for adverse event information (individual case safety reports (ICSRs)).



We estimate the cost of receiving a report is cut from $31 per paper report to $3 to $19 per report for those submitted electronically. Approximately 35 percent of expedited individual safety reports were submitted electronically in FY 2004, an increase from approximately 20 percent the previous year.

Information Technology

In FY 2004, an important project began on structure product labeling. The overall purpose is to improve patient safety by ensuring that medication information is readily available to health care providers, patients, and the public, in its most up-to-date form. The project is part of a larger initiative called the DailyMed. The ***DailyMed Initiative*** is a partnership between the FDA, medication manufacturers and distributors, the National Library of Medicine, and healthcare information suppliers.

The concept for the DailyMed Initiative is for FDA to collaborate with medication manufacturers and distributors to maintain detailed information about their products in a form called Structured Product Labeling (SPL). SPL is structured information about a medication contained in an XML file. Up-to-date SPL for each product will be transmitted to the NLM on a daily basis. NLM will provide the SPL along with other

medication information in an electronic repository called the DailyMed. Healthcare information suppliers will be able to use the information from this repository in their computer systems, allowing providers, patients and the public access to reliable, up-to-date information on the medications they use.

The objective of this project is to create the environment that will allow the FDA to generate up-to-date, reliable SPL for all drug products marketed in the U.S. Future phases can potentially concentrate on other FDA regulated products including vaccines, animal drug products, dietary supplements, and medical devices.

Inspection and Enforcement Initiatives

In FY 2004, program staff played a key role in a major agency-wide initiative on "Pharmaceutical Current Good Manufacturing Practices (cGMPs) for the 21st Century: A Risk Based Approach," a two-year program that applies to pharmaceuticals, including biological human drugs and veterinary drugs. This year, FDA issued its final report on the cGMP initiative (http://www.fda.gov/cder/gmp/gmp2004/GMP_finalreport2004.htm). The report discusses:

- The Agency's completed assessment of the current good manufacturing practice regulations, current practices and the new tools in manufacturing science that will enable a progression to controls based on quality systems and risk management; and,
- Specific steps the Agency has taken and will take to develop and implement quality systems management and a risk-based product quality regulatory system.

FDA also took many other steps in FY 2004 to enhance the consistency and coordination of its drug quality regulatory programs. These accomplishments include:

- Piloting a risk-based computer model for prioritizing cGMP inspections for domestic manufacturing sites, in order to further a systematic risk-based approach to inspectional oversight of pharmaceutical manufacturing;
- Training and certifying a Pharmaceutical Inspectorate, a select cadre of field inspectors who will specialize in pharmaceutical pre-approval and cGMP inspections;
- Issuing a final guidance on aseptic processing used in the manufacturing of sterile drugs, thereby encouraging the adoption of modern science and technology and risk-based approaches; and,
- Actively collaborating internationally on pharmaceutical manufacturing issues, in order to move towards implementation of an internationally harmonized plan for a pharmaceutical quality system based on an integrated approach to risk management and science.

FDA also took many other compliance and enforcement steps to protect the American public, including:

- Providing regulatory support to the work of the Strategic National Stockpile (SNS) which is charged with delivering critical medical assets to the sites of

national emergencies. Agency support for the SNS included reviewing the labeling and approval status of stockpile drugs;
- Using a risk-based selection process to choose establishments for inspections to assess compliance with regulatory requirements for adverse drug safety event reporting; and,
- Increasing industry awareness of post-marketing adverse event reporting requirements through an industry education program and development of a public website.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

The Program plays a key role countering terrorism in the U.S., especially in preparing the country to have medical counter measures readily available in the event of any chemical, biological, or nuclear attack. In FY 2004, many accomplishments were made in the area of medical countermeasures. Several new medical countermeasures including five new drug and 15 generic drug applications with counter-terrorism indications were approved. These included the following:

- **Radiation:** Radiogardase (insoluble Prussian blue) capsules were approved to treat people exposed to radiation contamination from harmful levels of cesium-137 or thallium, October 2003. Pentetate calcium trisodium injection (Calcium DTPA) and pentetate zinc trisodium injection (Zinc DTPA) were approved for the treatment of internal contamination with plutonium, americium, or curium, August 2004.
- **Chemical:** The Pediatric AtroPen infant atropine autoinjector was approved, September 2004. This product was developed as part of a post-marketing commitment for approval of pediatric atropine products for older children. The infant atropine autoinjector uses the EpiPen, Jr auto injector device.

FDA Approves First New Drug Application for Treatment of Radiation Contamination due to Cesium or Thallium

FDA approved a New Drug Application for Radiogardase, also known as Prussian blue, to treat people exposed to radiation contamination, due to harmful levels of cesium-137 or thallium. Radiogardase capsules contain Ferric (III) hexacyanoferrate(II).

The approval of Radiogardase is part of FDA's continuing efforts to provide the

- **Biological:** Fifteen new generic drug products for ciprofloxacin and new labeling for Procaine PenG were approved in FY 2004, including the inhalational anthrax, post-exposure, indication.

Additionally, FDA/CDER is actively participating on inter-agency working groups (e.g. WMD MCM Drug Subgroup) related to animal models and testing protocols for radiation/nuclear and chemical agents. FDA's staff directly collaborates with DHHS OPHEP on specific issues related to radiation/nuclear and chemical agents.

FDA, along with DHHS OPHEP, participates in a number of subgroups and working groups of the Weapons of Mass Destruction Medical Countermeasures Subcommittee, which reports directly to White House offices such as the Policy Coordinating Committee. These subgroups and their working groups, with membership from a number of governmental agencies, have been tasked with providing and discussing information that will lead to the development of requirements documents for medical countermeasures to be procured under Project BioShield or other discretionary funds for placement in the Strategic National Stockpile.

FDA/CDER is actively participating on interagency working groups (e.g., WMD MCM Drug Subgroup) related to animal models and testing protocols for radiation/nuclear and chemical agents. In addition, FDA's staff directly collaborates with OPHEP on specific issues related to radiation/nuclear and chemical agents.

In addition, FDA is involved in the following partnership activities:

- DHHS Anthrax Risk Management Working Group to address development of anthrax interventions under Project BioShield;
- An Intercenter Nuclear/Radiation Countermeasures Working Group to facilitate progress of countermeasures by developing a list of potential products currently under development throughout FDA and by sharing common scientific issues across centers;
- Assessing the potential of new indications for previously approved products where commercial development incentives are lacking. For example, FDA provided funding to an NIH Inter-Agency Agreement (IAG) for the DOD to test the efficacy of several approved antibiotics in non-human primate plague studies. The Agency also provided funding through an IAG with the CDC to conduct human plague trials in Africa, with enrollment that began in the Fall 2004. The funding for both agreements is approximately $3.5 million and their studies are ongoing. FDA will review these data to conclude whether gentamicin, and perhaps other antibiotics, may receive approval for a plague indication;
- FDA, CDC, and the Department of Homeland Security continued efforts to address issues on procurement and use of products in the Strategic National Stockpile;
- DHHS' Office of Public Health Emergency Preparedness' (OPHEP) Smallpox Risk Management Working Group to address development of smallpox vaccines under Project BioShield;
- OPHEP's Botulinum Risk Management Working Group to address development of Botulinum treatments and vaccines under Project BioShield;
- DHHS/OPHEP: Smallpox Risk Management Working Group to address development of smallpox vaccines under Project BioShield; and,
- DHHS/OPHEP: Botulinum Risk Management Working Group to address development of Botulinum treatments and vaccines under Project BioShield.

Human Drugs
CDER Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actual	FY 2005 Estimate	FY2006 Estimate
New Drug Review			
Priority New Drug Application (NDA) Reviews	31	30	30
Standard NDA Reviews	159	165	165
Priority NDAs Approved	19	16	16
Standard NDAs Approved	74	72	72
Time from Receipt to Approval (mo.s)(mean)-Priority NDAs	13.8	(8.5)	(8.5)
Time from Receipt to Approval (mo.s)(mean)-Standard NDAs	19.7	(18.0)	(18.0)
Time from Receipt to Approval (mo.s)(median)-Priority NDAs	9.0	(6.0)	(6.0)
Time from Receipt to Approval (mo.s)(median)-Standard NDAs	12.7	(13.5)	(13.5)
NDA Supplemental Reviews	3,313	3,300	3,300
INDs (Active)	12,523	13,000	13,000
Clinical Pharmacology/BioPharmaceutic Reviews[1]	1,402	1,600	1,600
Total Original License Application (PLA/ELA/BLA) Reviews[1]	5	7	7
PLA/BLA Approvals	5	5	5
License Supplement (PLA/ELA/BLA) Reviews[1]	272	220	220
Commercial IND/IDE Receipts	84	80	80
IND/IDE Amendments Receipts[2]	8,313	8,800	8,800
Generic Drug Review			
Abbreviated New Drug Application (ANDA) Actions[4,]	1,536	1,417	1,417
ANDA Approvals	413	399	399
Average Review Time from ANDA Receipt to Approval (mos.)	20.5	(18.0)	(18.0)
ANDA Supplemental Actions[5]	4,630	4,971	4,975
Over-the-Counter Drug Review			
OTC Monographs Under Development[6]	26	15	15
OTC Final Monographs Published	6	11	11
Establish OTC Consumer Behavior Research Contracts	N/A	1	1
Best Pharmaceuticals for Children Act			
Approved Labels with New Pediatric Information	23	22	22

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actual	FY 2005 Estimate	FY2006 Estimate
Patient Safety			
Adverse Reactions Reports	458,427	473,586	535.152
Percentage of Adverse Drug Reaction Reports Submitted Electronically (% of total)	15%	65%	75%
Percentage of Serious/Unexpected Adverse Drug Reaction Reports Submitted Electronically	29%	65%	95%
Drug Quality Reporting System Report	3,421	2,800	2,800

1/reviews reflect NDAs and supplements and CDER conducted an additional 1382 for INDs in FY 2004.

PERFORMANCE GOALS AND TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available. (12001) (Formerly: Ensure a safe and effective drug supply is available to the public.)	FY 06: Review and act upon 90% of original standard NDAs within 10 months of receipt. Review and act upon 90% of original priority NDAs within 6 months of receipt.
Increase the number of drugs that are adequately labeled for children and ensure the surveillance of adverse events in the pediatric population. (12026)	FY 06: Issue at least 10 written requests (WRs) for drugs that need to be studied in the pediatric population and report to the pediatric advisory committee on adverse events for at least 10 drugs that receive pediatric exclusivity.
Improve the efficiency and effectiveness of the generic drug review program to ensure safer and more effective generic drug products are available for Americans. (12003) (Formerly: Ensure safe and effective generic drugs are available to the public.)	FY 06: Decrease the average FDA time to approval or tentative approval for the fastest 70% of original generic drugs applications by 0.5 months.
Improve the efficiency and effectiveness of the over-the-counter (OTC) drug review program to ensure a safe and effective drug supply is available. (12048) (Formerly: Increase the number of drugs adequately labeled available for OTC use)	FY 06: Complete review and action on 100% of Rx-to-OTC Switch applications within 10 months of receipt. Make significant progress on completing 6 OTC monographs.
Enhance the protection of the American public against the effects of terrorist agents by facilitating the development of and access to medical countermeasures, providing follow-up assessments on therapies, and engaging in emergency preparedness and response activities. ***(12045)*** (Formerly: Facilitate development and availability of medical countermeasures to limit the effects of the intentional use of biological, chemical, or radiologic/nuclear agents.)	FY 06: Coordinate and facilitate development for at least 6 medical countermeasures.

Performance Goals	Targets
Improve the Safe Use of Drugs in Patients and Consumers (12007) (Formerly: Enhance postmarketing drug safety.)	FY 06: Review and provide comments on 100% of Risk Minimization Action Plans (RiskMAPs) for NMEs and for those products for which the sponsor or FDA initiated discussions, in accordance with applicable PDUFA goal dates.

Office of Orphan Products Development

	FY 2004 Actual	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
Program Level [1/]	**$15,895,400**	**$16,959,000**	**$16,959,000**	**0**
Grants [2/]	$13,192,000	$14,277,000	$14,277,000	0
Program Administration [3/]	$ 2,704,000	$2,682,000	$2,682,000	0

1/The Office of Orphan Products Development is shown for illustrative purposes and is not contained as a separate line item in the All Purpose Tables.

2/The Grants piece is part of the aggregate amount of budget authority contained in the CDER budget line item of the All Purpose Tables.

3/The Program Administration piece is part of the aggregate amount of budget authority contained in the Other Activities budget line item of the All Purpose Tables.

Historical Funding

Fiscal Year	Program Level
2002 Actuals	$13,364,000
2003 Actuals	$16,002,000
2004 Actuals	$15,895,400
2005 Estimate	$16,959,000
2006 Estimate	$16,959,000

Does not include GSA Rent or Other Rent and Rent Related Activities.

STATEMENT OF BUDGET REQUEST

The Office of Orphan Products Development is requesting $16,959,000 in program level resources for accomplishing the four functional activities of its mission:

- Review and designate qualified drugs and biologics as Orphan Products;
- Review and designate qualified medical devices as a Humanitarian Use Devices;
- Award and administer grants for clinical research studies of promising new orphan drugs, biologics, medical devices and medical foods for rare diseases and conditions; and,
- Determine whether a request for formal research protocol assistance (research on a treatment for a rare disease) qualifies for consideration.

PROGRAM DESCRIPTION

The Orphan Drug Act (ODA) (P.L. 97-414) amended the Federal Food, Drug, and Cosmetic Act, as of January 4, 1983, and established that the Federal government would provide incentives to assist and encourage the identification, development, and availability of orphan drugs. Under ODA, the law guarantees the developer of an orphan product seven years market exclusivity for a specific indication following the approval of the product by FDA.

Orphan drugs, as defined by the ODA, are drugs for the safe and effective treatment of rare diseases/disorders affecting fewer than 200,000 people in the U.S., or affecting more than 200,000 persons but not expecting to recover development costs, plus a reasonable profit, within seven years following FDA approval. There are an estimated 6,000 rare diseases that affect more than 25 million people in the U.S. Between 85 and 90 percent of which are serious or life-threatening. Orphan drugs provide important breakthroughs for patients who would otherwise be left lacking therapy. One example is the approval of Fabryzme for the treatment of Fabry's disease, which is a rare life-threatening genetic disease.

In 1982, FDA created the Office of Orphan Products Development (OPD) whose functions have assisted the private sector in producing orphan products (drugs, biologics, medical devices, and medical foods) necessary to treat a patient population that otherwise would be considered too small for profitable research, development, and marketing.

RATIONALE FOR BUDGET REQUEST

This request for budget authority supports various activities that contribute to the accomplishment of program outputs, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goals.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES

The Orphans Product Development (OPD) program is responsible for promoting the development of products that demonstrate promise for the diagnosis and/or treatment of rare diseases or conditions. The Office of Orphan Products Development (OOPD) operates the OPD Program by administering an orphan product designation process, providing research study design assistance to sponsors of orphan products, encouraging sponsors to conduct open protocols (allowing patients to be added to ongoing studies), and managing a clinical research grants program. The OPD supports FDA's Strategic Plan by improving the efficiency of translating new discoveries into safe and effective treatments for patients.

Generic Name	Trade Name	Indication
iron(III)-hexacyanoferrate(II)	Radiogardase	Treatment of patients with known or susupected internal contamination with radioactive or non-radioactive cesium or thallium
Tinidazole	Tindamax	Treatment of amebiasis
multi-vitiam infusion without vitamin K	M.V.I.-12	Prevention of vitamin deficiency and thromboembolic complications in people receiving home parenteral nutrition and warfarin-type anticoagulant therapy
Diethylenetriaminepentaacetic acid (DTPA)		Treatment of patients with known or suspected internal contamination with plutonium, americium, or curium to increase the rates of elimination.

Grants:

Since its inception, 39 orphan products have been approved using data obtained from OPD grants. Most recent was an expandable rib prosthesis for thoracic insufficiency syndrome in children.

Another benefit from the OPD grant funded studies has been the hundreds of publications in peer-review journals that has come about that have changed the state of medical care for Americans with rare diseases/conditions.

The $14.392 million appropriated in FY 2005 for research will be used to fund 11 to 14 new grants and maintain approximately 60 ongoing grant-funded clinical study projects. The number of grants awarded has been decreasing year over year as a result of continued increases in the cost of clinical trials.

In 2004, there were 90 grant applications received. Although the number of grants awarded is slowly declining, the number of applications to be reviewed and scored has steadily increased since 2000.

Grants:

The OPD grant program is a proven method of successfully fostering and encouraging the development of new safe and effective medical products for rare diseases/conditions in a timely manner with a very modest investment. The major activities include:

- Review grant applications by OPD staff to ensure program requirements are met;
- Coordinate and convene peer review panels to provide technical review of grant proposals;
- Select grant applications for funding; and,
- Monitor the grant-funded products to satisfy regulatory and program requirements.

Program Administration:

The OPD program manages an orphan product designation process, provides research study design assistance to sponsors of orphan products and encourages sponsors to conduct open protocols (thereby allowing patients to be added to ongoing studies. The major activities include:

- Administers a process for orphan and humanitarian use device[1] designations;
- Serves as an intermediary between sponsors and FDA medical product review divisions in the drug development process to help resolve outstanding problems, discrepancies, or misunderstandings that often complicate review division/sponsor relationships;
- Provides expertise in clinical trial design and outcome review; and,
- Assists patients and advocacy groups on issues addressing rare diseases and orphan products.

[1] A Humanitarian Use Device (HUD) designation from OPD is required for a device sponsor prior to applying for a HUD designation from FDA. An Humanitarian Device Exemption (HDE) for a specific device allows the sponsor to bring the device to market for a very small population (usually less than 4,000 people in the U.S.) after demonstrating the safety and probable benefit of the device. The sponsor is exempt from meeting other requirements of the Safe Medical Devices Act.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

Program Administration:

Of the 1,427 orphan designations issued by OPD, as of January 5, 2005, 265 have resulted in marketing approval with orphan exclusivity. The 1983, these products are now available to treat a potential patient population of more than 13 million Americans. In contrast to this pace of designating drugs to treat rare diseases, the decade prior to 1983 saw fewer than 10 such products come to market.

The number of Orphan Product designation applications is continuing to increase dramatically. In FY 2004, there were 160 applications, a record number, representing a 30 percent increase over the average (124/year) of the prior four years. These include potential treatments for anthrax, dysteria, cystic fibrosis, and West Nile Virus. Of these, thirteen orphan designated products were approved for marketing (see table below). This number is expected to increase in future years as more new drugs are developed that are targeted at specific genetic disorders.

Since the HUD regulations took effect in October 1996, OPD has received 148 applications and designated 45 devices. Of the 45 designated devices, 37 have been approved for an HDE and the number of HUD designation applications is also continuing to increase. In 2003, there were 32 applications, which was double the average of the prior three years. In 2004, 25 HUD applications were received and 5 were designated, including a pediatric blood pump for a failing heart.

List of FY 2004 Orphan Product Approvals

Generic Name	Trade Name	Indication
Botulism immune globulin	BabyBIG	Treatment of infant botulism.
Apomorphine HCl	Apokyn	Treatment of the on-off fluctuations associated with late-stage Parkinson's disease.
Somatropin (r-DNA)	Serostim	For use alone or in combination with glutamine in the treatment of short bowel syndrome.
Glutamine	NutreStore	For use with human growth hormone in the treatment of short bowel syndrome (nutrient malabsorption from the gastrointestinal tract resulting from an inadequate absorptive surface).
pemetrexed disodium	Alimta	Treatment of malignant pleural mesothelioma
acetylcysteine	Acetadote	For the intravenous treatment of moderate to severe acetaminophen overdose
azacitidine	Vidaza	Treatament of myelodysplastic syndromes
tinidazole	Tindamax	Treatment of giardiasis
cinacalcet	Sensipar	Treatment of hypercalcemia in patients with parathyroid carcinoma

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BIOLOGICS - CENTER FOR BIOLOGICS EVALUATION AND RESEARCH (CBER)

	FY 2004 Actuals	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$148,391,000**	**$151,478,000**	**$158,038,000**	**+$6,560,000**
Total FTE	*797*	815	*801*	*-14*
Budget Authority	**$103,537,000**	**$102,869,000**	**$102,132,000**	**-$737,000**
GSA Rent and Rent Related	*7,272,000*	5,979,000	*$6,039,000*	*+$60,000*
Administrative Efficiencies	*N/A*	*N/A*	*-$132,000*	*-$132,000*
IT Reduction	*N/A*	*N/A*	*-$665,000*	*-$665,000*
Total FTE	*559*	*565*	*548*	*-17*
User Fees	**$44,854,000**	**$48,609,000**	**$55,906,000**	**+$7,297,000**
PDUFA	*$41,181,000*	$40,214,000	*$46,838,000*	*+$6,624,000*
MDUFMA	*$3,673,000*	$8,395,000	*$9,068,000*	*+$673,000*
Total FTE	*238*	250	*253*	*+3*

ORA Estimate	**$31,076,000**	**$32,541,000**	**$33,330,000**	**+$789,000**
Budget Authority	*$30,021,000*	$29,992,000	*$30,052,000*	*-$60,000*
FTE	*233*	216	*206*	*-10*
User Fees	*$1,055,000*	$2,549,000	*$3,278,000*	*+$729,000*
FTE	*8*	14	*14*	*0*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$149,311,000	$111,054,000	$38,257,000	894
2003 Actual	$165,558,000	$117,391,000	$47,116,000	975
2004 Actual	$148,391,000	$103,537,000	$44,854,000	797
2005 Enacted	$151,478,000	$102,869,000	$48,609,000	815
2006 Estimate	$158,038,000	$102,132,000	$55,906,000	801

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET REQUEST

The Biologics Program is requesting $158,038,000 for its mission activities including:

- To ensure the safety, efficacy, potency and purity of biological products including vaccines, cells, tissues, gene therapies, and related drugs and devices intended for use in the prevention, diagnosis and treatment of human diseases, conditions or injuries;
- To ensure the safety of the nation's supply of blood and blood products;
- To evaluate the safety and effectiveness of biological products before marketing, and monitors the pre-clinical and clinical testing of new biological products;
- To license biological products and manufacturing establishments, including plasmapheresis centers, blood banks, and vaccine manufacturers; and,
- To conduct regulatory research to establish product standards and develop improved testing method

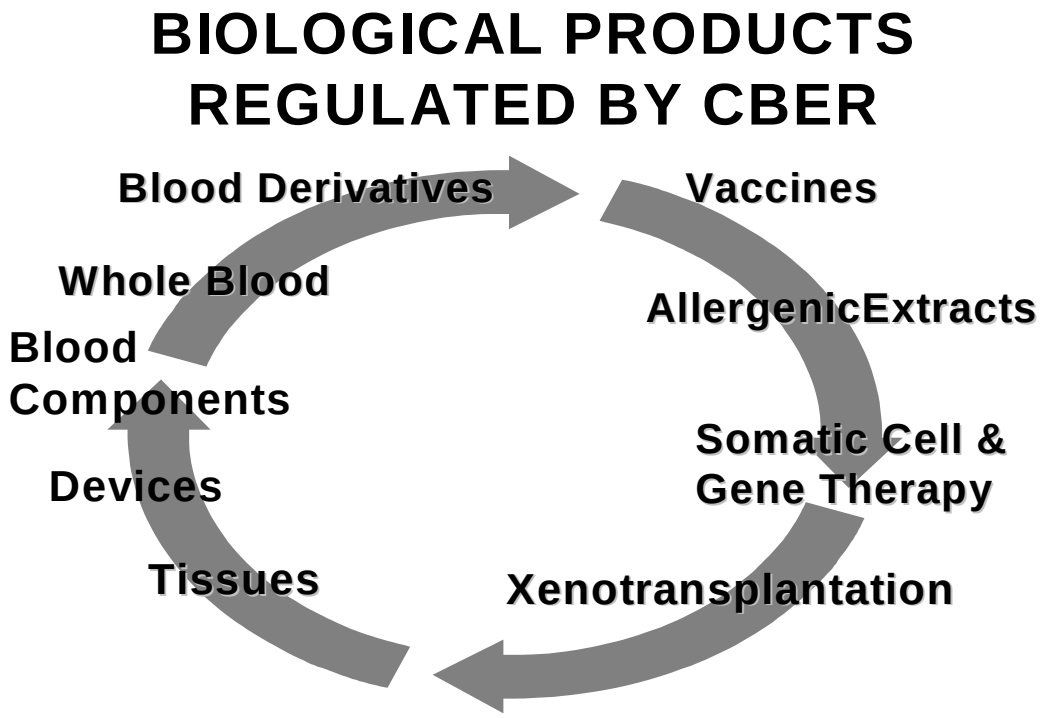
PROGRAM DESCRIPTION

The Biologics Program regulates products that are on the leading edge of technology. Rapid scientific advances in biochemistry, molecular biology, cell biology, immunology, genetics, and information technology are transforming biological product discovery and development, paving the way for unprecedented progress in developing new medicines to conquer disease.

While scientific advances of new biological products promise great health benefits for U. S. consumers, FDA must ensure that these products are safe and effective. FDA is also responsible for ensuring the safety of the nation’s blood supply by minimizing the risk of infectious disease transmission and other hazards, while facilitating the maintenance of an adequate supply of whole blood and blood products.

ORA supports CBER by conducting premarket activities such as: bioresearch monitoring of clinical research, preapproval inspections and laboratory method validations needed for premarket application decisions, and inspecting manufacturing facilities to ensure their ability to manufacture the product to the specifications stated in the application. The Field conducts risk-based domestic and foreign postmarket inspections of medical products to assess their compliance with Good Manufacturing Practice requirements.

Besides overseeing regulated products on a surveillance or “for cause” basis, ORA staff also respond to emergencies and investigate incidents of product tampering and terrorist events or natural disasters. To complement the regular field force, the Office of Criminal Investigations investigates instances of criminal activity in FDA regulated industries. In FY 2006, ORA will expend an estimated $33,330,000 in support of the Program.



PERFORMANCE ANALYSIS

During the latest completed performance period, (FY 2003), CBER successfully achieved the targets for all four performance goals. Data for FY 2004 will be available later in FY 2005. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

The performance targets for implementing the Prescription Drug User Fee Act (PDUFA III) are very high. To sustain these ambitious targets, adequate funding must be assured. Since the PDUFA fee structure is predicated on supplementing existing appropriated funding, the request must be designed to ensure that budgetary authority and user fees are adequate.

Performance Highlight:

Goal Target	Context	Results
Review and act upon 90% of standard original PDUFA NDA/BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt.	To provide the U.S. public with quicker access to new biologics, FDA consults closely with product sponsors early in product development and makes prompt decisions on important new biological product applications.	Since 1994, FDA has met or exceeded performance goals of completing review and action on 90% of standard original PDUFA NDA/BLA submissions within 10 months; and reviewing and acting on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt.

RATIONALE FOR BUDGET REQUEST

This request, for Budget Authority and User Fees, supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources by strategic goals.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the operating program, would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into the Biologics Evaluation and Research program level requests.

Office of Regulatory Affairs (ORA) Estimate and Structure Change

This budget also establishes a single budget line item for the ORA. To help the field program provide service more effectively, especially by providing much needed flexibility to respond to shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

GSA Rent +$60,000

To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested, of which $60,000 is for the Center for Biologics Evaluation and Research. This increase will help cover inflation on FDA's current GSA-leased facilities.

Management Savings: -$797,000 and -3 FTE
FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

- **Administrative Efficiencies: -$132,000 and -1 FTE**
  Administrative efficiency savings will total -$1,554,000 and -15 FTE, of which the CBER share is -$132,000 and -1 FTE.

- **Information Technology Reduction: -$665,000 and -2 FTE**
  IT reductions will total -$5,116,000 and -15 FTE, of which the Center for Biologics Evaluation and Research share is --$665,000 and -2 FTE.

User Fees

Prescription Drug User Fee Act (PDUFA): +$6,624,000 and +2 FTE
PDUFA authorized the FDA to collect fees from the pharmaceutical industry to augment appropriations spent on drug review. These fees expand the resources available for the process of reviewing human drug applications including reviewers, information management, space costs, acquisition of fixtures, furniture, equipment and other necessary materials so that safe and effective drug products reach the American public more quickly. The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. These amendments are effective for five years and direct FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. The increases will contribute to meeting these mandated directives.

Medical Device User Fee and Modernization Act (MDUFMA): +$673,000 and +1 FTE
MDUFMA is patterned after the successful Prescription Drug User Fee Act, a successful partnership between the Federal government and stakeholders to improve the quality and timeliness of the medical device review process. This multi-year effort authorizes the collection of user fees from those who submit premarket applications, certain supplements to those applications, and premarket notifications. The funds continue the following FDA efforts begun in FY 2003 including:

- Acquire and train staff to meet a set of aggressive performance goals, for expediting the review of medical device applications;

- Promote public health with major improvements in review of expedited medical devices; and,

- Make major improvements in review performance in areas where fees are collected, while maintaining performance in other areas.

JUSTIFICATION OF BASE

Protecting and promoting the public health in the 21st Century is a great responsibility. Mastering it requires meeting some unprecedented challenges: having a strong organization that attracts and retains the most talented scientists; utilizing dynamic and responsive regulation for new and better ways to reduce risks; promoting quick access to needed new medical technologies that are safe and effective; helping to assure the continuing safety and availability of regulated products; helping consumers get true and useful information about the products they use; and facilitating quick responses to the challenges of bioterrorism as well as emerging infectious diseases. These are among the many critical challenges we face. The Program can and will continue to play both a facilitating and a leadership role in meeting these challenges, seeking input from, and effective collaboration with our partners.

The Program is responsible for addressing regulatory challenges related to ensuring the safety and efficacy of a wide range of biological products including blood and blood products, human tissue, cell and gene therapies, vaccines, and allergenic products. Meeting these challenges successfully will require knowledge and utilization of scientific advances in areas such as proteomics, genomics and gene therapies, xenotransplantation, new vaccine technologies and delivery methods, and novel cellular and tissue therapies. In these and other areas, CBER research, often performed in collaboration with partners in government, academia and industry, helps to identify opportunities to advance new and emerging technologies, providing needed standards, assays and models to better measure and assure product safety, efficacy and consistency. These contributions help to more safely and efficiently move innovative products along what has been termed the "critical path" to availability for patients who can benefit from them. The Program will continue to further sharpen its focus, and seek continuing input and collaboration, in utilizing its scientific resources and expertise to facilitate the development of products that are safe and effective – consistent with FDA's Critical Path Research Initiative (http://www.fda.gov/oc/initiatives/criticalpath/whitepaper.pdf).

Research Support for Product Development

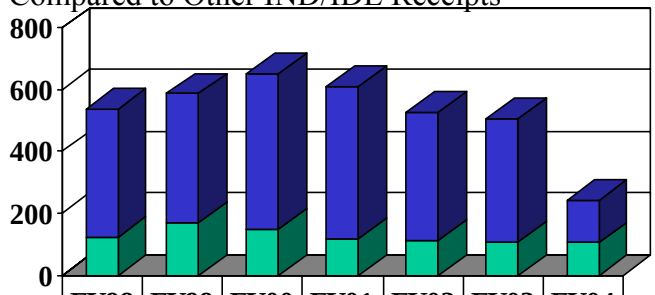
USING RISK-BASED MANAGEMENT PRACTICES

Base resources will be used to conduct science-based risk management in all Agency regulatory activities so that the Agency's limited resources can provide the most health promotion and protection at the least cost to the public. These activities include the efforts discussed below.

Gene Therapy

One of the most exciting and highly publicized areas in biomedical research today is human gene therapy – the replacement of a person's faulty genetic material with normal genetic material to treat or cure a disease or abnormal medical condition. Over time and with proper oversight, this may become an effective weapon in modern medicine's arsenal to help fight diseases such as cancer, diabetes, high blood pressure, heart disease and other genetic disorders.

CBER GENE THERAPY/SOMATIC CELL INDs RECEIVED
Compared to Other IND/IDE Receipts



	FY98	FY99	FY00	FY01	FY02	FY03	FY04
Other INDs	414	418	505	494	418	397	139
Cell/Gene Therapy	124	169	146	117	110	109	104

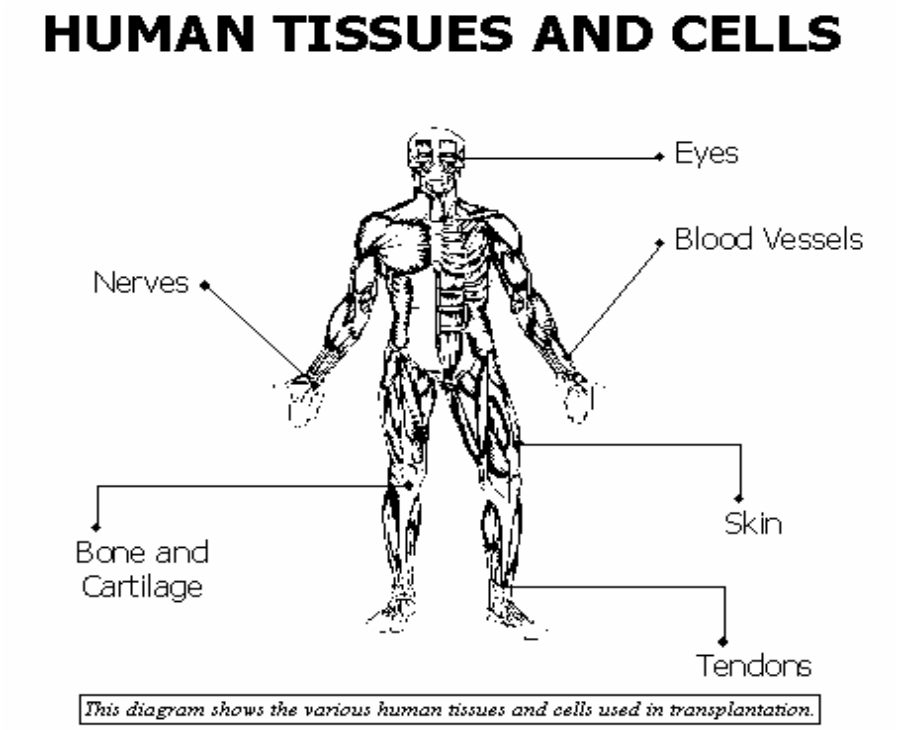
Cell/Gene Therapy Other INDs

While FDA has not yet approved any human gene therapy products for marketing, gene-related research and development is continuing to grow and FDA is very involved in overseeing this activity. Since FY 2000, FDA has received over 400 requests from medical researchers and manufacturers to study gene therapy and to develop gene therapy products. Presently, FDA is overseeing approximately 230 active investigational new drug gene therapy studies.

Human Cells, Tissues and Cellular Based Products

The term "human cells, tissues, and cellular and tissue-based products (HCT/P's)" covers many products transplanted for medical uses, such as skin replacement following severe burns, tendons and ligaments to repair injuries, bone replacement, and corneas to restore eyesight. In this rapidly growing industry, the number of musculoskeletal tissue transplants increased from approximately 350,000 in 1990 to over 1 million in 2004. Over the past decade advancing technology and improved techniques have expanded the therapeutic uses of tissue-based products.

FDA seeks to accomplish three primary goals with respect to human tissues while not discouraging the development of new products: (1) to prevent the spread of communicable diseases; (2) to ensure that safety and efficacy are demonstrated for cellular and tissue-based products that are also drug, biological, and medical device products; and, (3) to help enhance public confidence in these products so that, where appropriate, they can fulfill their great potential for improving and saving lives.



Improvements in Tissue Technologies and Donor Eligibility

- *Implemented a comprehensive approach for regulating new tissue technologies that have future potential to provide treatment for such diseases as cancer, Parkinson's Disease, hemophilia and other serious conditions.*
- *Implemented establishment registration and product listing for all HCT/P establishments, and recently implemented a new web-based registration process.*
- *Published a new final rule establishing good tissue practices, which includes the methods, facilities and controls used to manufacture these products. It requires manufacturers to recover, process, store, label, package and distribute human cells, tissues and cellular and tissue-based products in a way that prevents the introduction, transmission, or spread of communicable diseases. The regulations apply to a broad range of these products including musculoskeletal tissue, corneas, human heart valves, dura mater (lining of the brain) and cellular therapies. This new rule, which applies to all non-reproductive cells and tissues, will become effective on May 25, 2005.*
- *Two other related proposed rules have been finalized, including the rule regarding establishment registration and listing was (January 19, 2001) which requires tissue facilities to register with FDA and list their product, and the rule, regarding donor suitability finalized on May 25, 2004, which focuses on donor screening and testing measures to prevent the unwitting use of contaminated tissues with potential to transmit infectious diseases. It will become effective on May 25, 2005, and applies to all HCT/Ps, including reproductive cells and tissues.*

Pandemic Influenza

Preparation for the next pandemic of influenza requires action in the inter-pandemic period, including the production of vaccines, which is unique among vaccine products in that the viruses are changed on a frequent basis and the time available for making and distributing each year's new vaccine is fixed at 6 to 8 months. CBER scientists:

- Actively advise national and international public health groups such as WHO, CDC, NIH, and the National Vaccine Program Office on selecting new influenza viruses to be used in annual vaccine production and in preparing for an influenza pandemic. Every year, CBER's Vaccines and Related Biological Products Advisory Committee makes recommendations for the strains to be used in making influenza vaccines and informs manufacturers of the choices. These recommendations are based on data provided from laboratories worldwide as the strains are continuously evolving or mutating. As soon as strains are recommended, manufacturers begin to grow virus strains in fertile chicken eggs. The parent strains of vaccine, used by each manufacturer are tested by FDA to assure they are the same as the recommended strains;
- Review extensive manufacturing and clinical information, and conduct several inspections of the manufacturing facilities of additional sponsors of influenza vaccine INDs. These steps are designed both to improve shortage response capabilities and,

most important, to expand future manufacturing capacity for influenza vaccine in coming years by encouraging interest in and progress toward US licensure;

- Work closely with the UK regulatory authority (MHRA) to facilitate Chiron's remediation of its manufacturing problems at the Liverpool facility. These efforts involve frequent teleconferences, multiple site visits/inspections, and review of manufacturing and facility information. FDA is also interacting closely and proactively with the two other currently licensed influenza vaccine manufacturers, Aventis Pasteur and MedImmune on a variety of issues related to their vaccine manufacturing;

- Expedite lot release of influenza vaccine through the manufacturing time period. The process of manufacturing these vaccines is very complex, and is complicated by the large number of doses administered in a very short time frame; and,

- Work with manufacturers throughout the year to collect information on the capability of new influenza viruses to be used for large-scale production.

Combating Influenza

- *The influenza epidemic of 1918-1919 caused an estimated 20 million deaths worldwide, with little progress, until the 1930's.*
- *Today's flu vaccines are typically 70 to 90 percent effective in reducing a person's chances of getting the flu, but new strains are found annually.*
- *Every year CBER's Vaccines and Related Biological Products Advisory Committee meets to make recommendations for the strains to be used in making vaccines potentially saving millions of lives worldwide.*
- *CBER scientists perform vital serologic testing to determine whether current vaccines produce antibodies that inhibit the new influenza viruses and prevent a pandemic.*

Blood Safety

The blood supply is critical to the nation's health care system, and is the world's safest supply of blood. FDA's goal is to continue to help ensure the safety of the supply by minimizing the risk of infectious disease transmission and other hazards, while facilitating an adequate supply of whole blood and blood products; which is a critical underpinning of our health care system and of our emergency preparedness. FDA continues to strengthen efforts to protect the blood supply, and to minimize any risk to patients of acquiring HIV, hepatitis, Creutzfeldt-Jakob Disease (CJD), West Nile Virus (WNV) and other emerging blood-borne diseases, including potential agents of bioterrorism. These efforts include:

- Promulgating and enforcing standards for blood collection and for the manufacturing of blood products, including transfusible components of whole blood, pharmaceuticals derived from blood cells or plasma, as well as related medical devices and screening tests. FDA also inspects blood establishments; monitors reports

of product deviations and adverse clinical events; and, works closely with other parts of the PHS to establish blood standards, and to identify and respond to potential threats to blood safety or supply;

- Facilitating the development and review of innovative products to improve blood safety and availability such as new immunoglobulin and clotting factors, new methods to preserve blood cells and related products, artificial blood substitutes, new blood testing and safety technologies, as well as improved HIV tests for blood and for public health screening;

- Continuing to update existing guidance consistent with new scientific information and eliminate guidance documents lacking enforceability;

- Continuing to address emerging infectious diseases, ensuring compliance of plasma fractionation establishments, blood donor/recipient notification and look back, and FDA emergency and Class I recalls affecting blood safety response procedures;

- Responding to emerging potential threats to the blood supply, such as WNV, SARS, HIV variants; new hepatitis agents; human herpes virus-type 8; and CJD, in a timely and coordinated approach. In collaboration with the CDC and NIH, FDA engages in scientific investigations of emerging infectious agents. Actions include an assessment of the risk to the blood supply, diagnostic methods, standards development and regulatory controls; and,

- Continuing to emphasize the need to protect the nation's blood supply, and minimizing any risk of acquiring the human form of BSE, CJD, and other blood-borne diseases. No rapid diagnosis test of either BSE or CJD or for detection of infected tissue have been validated as either sufficiently specific or sensitive to be used to screen the blood supply. A reliable blood-screening test for CJD is an extremely important goal and is currently the object of considerable activity.

First Oral Fluid Based Rapid HIV Test Kit

On March 26, 2004, FDA approved the use of oral fluid samples with a rapid HIV diagnostic test kit that provides screening results with over 99 percent accuracy in as little as 20 minutes. Until the approval of this test kit, all rapid HIV tests required the use of blood.

The original version of this rapid test – the OraQuick Rapid HIV-1/2 Antibody Test, manufactured by OraSure Technologies, Inc., Bethlehem, Pa. – was approved on November 7, 2002, for detection of antibody to HIV-1 in blood. On March 19, 2004, FDA approved the test for detection of HIV-2 (a variant of HIV that is prevalent in parts of Africa but rarely found in the U.S.) in blood. Approval of this rapid HIV test kit represents another significant new use for the test. As when used on blood, this test can quickly and reliably detect antibodies to HIV-1. It can also be stored at room temperature and requires no specialized equipment.

"Before the approval of this rapid test in November 2002, many people being tested for HIV in public clinics did not return for the results of standard tests," said Secretary Thompson. "Where the rapid test is available, those tested get their results within minutes. This oral test provides another important option for people who might be afraid of a blood test. It will improve care for these people and improve the public health as well."

Through enhanced testing and other improvements in blood safety, the risk of transmission of viruses such as HIV, and hepatitis B and C through blood transfusion has been dramatically reduced. The risks of HIV and of HCV have been reduced from 1/100 units in the 1980's to less than 1-in-a-million at present.

Xenotransplantation

FDA regulates xenotransplantation products and is actively involved in developing guidance and working with the PHS agencies on crosscutting. Although the potential benefits of xenotransplantation products are considerable, the use of live-animal materials raises concerns regarding the potential infection of recipients with both recognized and unrecognized infectious agents, and the possible subsequent transmission into the human population. Potential cross-species infection with persistent viruses, such as retroviruses, is of particular public health concern because they may be latent and lead to disease years after infection. Moreover, new or emerging infectious agents may not be readily identifiable with current techniques.

Postmarket Monitoring

FDA engages in activities to ensure the continued quality and safety of previously approved biologic products. Because these products are derived from living organisms, they do not have the same manufacturing consistency as pharmaceutical products derived from chemical combinations. FDA must engage in post-approval activities to develop and validate test methods and establish standards for biological products.

Imports, Import Monitoring and Foreign Inspections
The explosion in the number of imports combined with the security concerns raised by terrorism and counterfeiting incidents has increased the need to physically assess the status of imported products, including biologics, as part of the Agency's emerging import strategy. Base funding will enable FDA to improve the safety of imported and domestic biological products and tissues by increasing the surveillance of imported human tissues and imported biological products and coordinate domestic field investigational analytical compliance activities.

Prescription Drug User Fee Act (PDUFA)
The Program has met or exceeds most of its PDUFA performance goals in FY 1994 through 2003. The BT Act reauthorized the collection of user fees to enhance the review process of new human drugs and biological products, and established fees for applications, establishments, and approved products. These amendments are effective for a five-year period with certain technical improvements. Specifically, Congress directed FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious and life-threatening diseases; and, develop principles for improving first-cycle reviews. Review performance monitoring is being done in terms of fiscal year cohorts. The FY 2006 cohort performance goals include:

- Complete review and action on 90 percent of standard original NDA/BLA submissions within 10 months; and complete review and action on 90 percent of priority original NDA/BLA submissions within six months of receipt;

- Complete review and action on 90 percent of standard efficacy supplements within 10 months; and complete review and action on 90 percent of priority efficacy supplements within six months of receipt*;*

- Complete review and action on 90 percent of manufacturing supplements within six months of receipt, and complete review and action on 90 percent of manufacturing supplements requiring prior approval within four months of receipt; and,

- Complete review and action on 90 percent of Class 1 resubmitted original applications within two months; and complete review and action on 90 percent of Class 2 resubmitted original applications within six months of receipt.

EMPOWERING CONSUMERS FOR BETTER HEALTH

FDA enables consumers to make smarter decisions by getting them better information to weigh the benefits and risks of FDA-regulated products.

Communications with Stakeholders and Consumers

FDA is committed to carrying out our mission and is in constant consultation with experts in science, medicine, and public health and in cooperation with healthcare providers, consumers, and industry. FDA is also, enhancing communication methods in order to mitigate the risks due to the lack of accurate and timely information to the public about a biologic product. In pursuit of this objective FDA:

- Collaborates with scientists to support regulatory decisions by assessing risks associated with regulated products; setting standards that minimize risk and testing products against those standards; improving the usefulness and precision of risk assessment methods; and developing methods to increase the accuracy of sample analysis and detection of biological substances;

- Provides information on research projects and scientific articles emphasizing the importance of our regulatory research as mission critical work underpinning regulatory decisions;

- Maintains the program to increase access to new guidance documents, safety information and the opportunity to discuss important issues with Agency experts at numerous trade associations, scientific, and community meetings; and,

- Maintain outreach with industry and provide training as required by FDAMA and the Small Business Regulatory Enforcement Fairness Act.

PATIENT AND CONSUMER PROTECTION

FDA seeks continuous improvements in patient and consumer safety by reducing risks associated with FDA-regulated products. FDA's work on medical errors and SARS are examples of effort in this area.

Medical Errors

The prevalence of avoidable health complications that involve the use of FDA-regulated products, presents a challenge for FDA, whose central public health role is to help ensure that vaccines, blood and blood products, human cells, tissues, and cellular and tissue-based products are safe and effective. FDA also ensures that quality standards are adhered to by the various biological product establishments by:

- Conducting product safety biomedical research in areas such as new cells used to produce drugs and biologics. Rapid advances in technology and the evolving HIV pandemic necessitate the need to use new types of cell substrates and to develop new assays and assess the reliability of current assays used to monitor product safety. This is coupled with other international public health crises, such as hepatitis B/C infections, the constant threat of pandemic influenza, and the treatment of genetic defects;

- Developing new, specific and sensitive techniques and assays to validate and detect a greater variety of known potentially infectious viruses. A prime objective of safe biological products is detection, identification, and elimination of adventitious agents, which are agents that are infectious for humans. A chief concern inherent in biologicals is the potential for the presence of adventitious agents in the approved product;

- Enhancing the vaccines and biologics safety surveillance through ongoing programs for safety surveillance of cutting edge technology and its appropriate implementation;

- Maintaining the system of post-marketing surveillance and risk assessment program to identify adverse events that did not appear during the product development process by collecting, evaluating and acting on information of Adverse Event Reports (AERS) associated with marketed products;

- Maintaining reporting systems to collect biological product deviation events that occur during manufacturing processes or storage of biological products, including blood product manufacturers and blood-banking facilities; and,

- Establishing contracts for safety monitoring data links that include data on product exposure and extensive patient information. Develop access to external databases with other government agencies, states, academia and independent health organizations such as hospitals, to enhance FDA's ability to monitor the public health impact of FDA-regulated products.

Severe Acute Respiratory Syndrome (SARS)
The CDC and the WHO are investigating a worldwide outbreak of unexplained atypical pneumonia referred to as SARS. FDA is working with other government agencies, industry and academia to:

- Facilitate the development of reliable diagnostic tools, and safe and effective treatments for patients suffering from SARS, including a SARS vaccine;

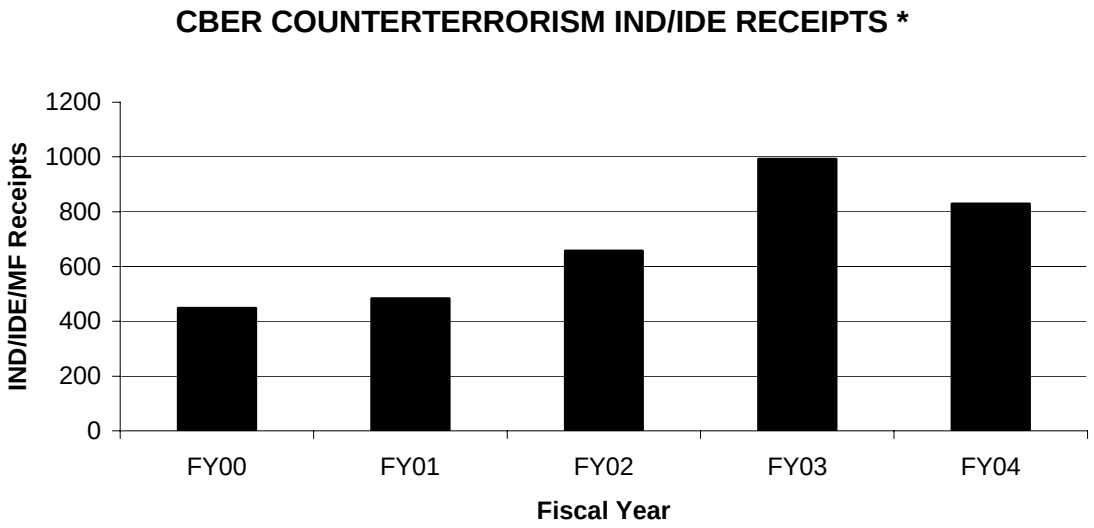
- Assure that adequate supplies of various medical products are available in the event of the broader spread of SARS in the U. S.; and,

- Safeguard the blood supply against the potential threat of SARS.

FDA is pursuing multiple potential vaccine development strategies and is working with other government agencies and the private sector to address many of the most difficult issues in early vaccine development. In this process, guidance is provided on the use of animal test data and on safe manufacturing practices. FDA will also be a major participant in the design of clinical trials and in defining the needs of special populations, such as pregnant women. As the SARS vaccine program is in its infancy, much painstaking work is necessary to assure that the development and manufacturing processes meet the standards required to develop and produce safe and effective vaccines.

PROTECTING THE HOMELAND – COUNTERTERROISM

The Agency's strategic goal to "Protect America from Terrorism" focuses on preparation and response to a terrorist attack on the U.S. population. This includes the ability to facilitate the development and availability of medical countermeasures to limit the effects of a terrorist attack on the civilian or military populations.



* The total number of counterterrorism IND/IDE/MF original submissions and amendments received during each fiscal year.

FDA plays a crucial role in protecting the public health by ensuring the availability of safe and effective medical countermeasures for mitigating the public health consequences of a bioterror event. The Program is responsible for regulating the development and licensure of new biological products including vaccines, blood products, human tissues, cells and gene therapies. Working closely with industry and government agencies, FDA works to help assure an adequate supply of these products which include products for immunization against anthrax, smallpox and other biothreats that might be used by terrorists as well as products to treat burn, blast and trauma injuries. FDA collaborates closely with other federal agencies to develop protocols, conduct animal studies, and define reference databases on treatment and alternative therapies for infectious diseases caused by the intentional use of biological agents. Applicable tests include those for bacterial and fungal sterility, general safety, purity, identity, suitability of constituent materials, and potency. Adverse events are monitored to identify patterns of significant reactions to these new vaccines. Support has been increased for the protection of regulated products from contamination and tampering to ensure availability of products. FDA works to:

- Ensure the safety and efficacy of biological products, including vaccines, blood and blood products, and diagnostic countermeasures to support the development, maintenance and deployment of stockpiles of medical countermeasures;

- Help ensure that sufficient quantities of medical products are available; and implement post-event follow-up and data collection for these products, some of which are investigational;

- Conduct and support active applied research programs directed towards optimizing the availability of safe and effective new products for the treatment, prevention or cure of diseases in humans;

- Evaluate the types of non-clinical data that may be acceptable for product licensure if pre-licensure clinical studies are not feasible or ethical;

- Evaluate over 100 active investigational new drug applications on products under development for use either to mitigate or prevent the pathological effects of terrorism-related pathogens in humans;

- Participate in activities to facilitate the availability of the currently approved vaccine for anthrax; and continue counterterrorism activities associated with the development of new smallpox and anthrax vaccines; vaccines for plague, tularemia, and Venezuelan Equine Encephalitis, as well as other encephalitis-causing viruses; and,

- Monitor production of biologics from the early stages all the way through post marketing with lot release testing to ensure the individual lots continue to meet safety, purity, potency and efficacy requirements.

IMPROVING FDA'S BUSINESS PRACTICES

The Agency strategic goal, "Improving FDA's Business Practices", focuses on the critical infrastructure that provides scientific support and administration to FDA's programs. This will ensure a world-class professional workforce, effective and efficient operations, and adequate resources to accomplish the Agency's mission. The managerial and operational efficiencies being pursued under this goal are aligned with the President's Management Agenda, the Secretary's priority of strengthening management by creating a more streamlined, cost-effective, and accountable organization, and the DHHS strategic goal to achieve excellence in management practices.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

In alignment with the Critical Path Initiative, CBER employs science-based approaches to solve current problems and anticipate future barriers to biologics product development and licensure. CBER strives to identify and work collaboratively to develop the scientific knowledge and tools to determine the safety and efficacy of products.

On October 7, 2004, a public workshop was held, entitled, "From Concept to Consumer: Center for Biologics Evaluation and Research Working with Stakeholders on Scientific Opportunities for Facilitating the Development of Vaccines, Blood and Blood Products, and Cellular, Tissue, and Gene Therapies." It provided stakeholders a forum for discussing opportunities for and potential approaches to the development of innovative scientific knowledge and tools to facilitate the development and availability of new biological products.

Expanded Manufacturing Capacity for Prevnar

On April 16, 2004, CBER approved Wyeth Pharmaceuticals Inc.'s supplement to Wyeth's biologics license application (BLA) for Pneumococcal 7-valent Conjugate Vaccine (Diphtheria CRM197 Protein) (Prevnar) to allow for filling and testing by a contract manufacturer, Cardinal Health Sterile Technologies. This approval aided in alleviating the shortage of Prevnar by expanding manufacturing capacity.

Cell and Gene Therapy: Outreach and Partnerships

CBER has provided proactive scientific and regulatory guidance in areas of novel product development. Openly communicating regulatory expectations and encouraging dialogue on points of cutting edge product development helps define the best scientific approaches and reduces product development time and risk. Focusing on how to best evaluate the most important issues in safety and efficacy helps avoid unnecessary regulatory burdens. In addition, engaging and supporting broad public interactions helps FDA and product developers to better address difficult issues involving risks and benefits of novel products. Examples during the past year include:

- Biological Response Modifiers Advisory Committee (BRMAC) – March 2004 meeting on issues related to the design of early phase clinical trials of cellular therapies for the treatment of cardiac diseases. Three important issues confronting the development of cellular products for the treatment of heart disease include manufacturing, catheter-cellular product interactions, and the nature and quantity of pre-clinical data needed to begin early phase clinical studies;

- BRMAC – October 2003 meeting on issues related to the type and quality of manufacturing, and preclinical and clinical data to be provided in a BLA for marketing approval of allogeneic islets as a treatment for type 1 diabetes mellitus;

- Stem Cell Clonality and Genotoxicity Retreat – December 2003 meeting that provided updates on preclinical models and an international perspective on clinical trials for Severe Combined Immunodeficiency Disease; and,

- CBER co-sponsored a workshop in June 2004, prior to the annual American Society of Gene Therapy meeting, that provided a forum for input from the community on the scientific, clinical, legal, social, and ethical issues surrounding conformance with long-term follow-up in gene transfer subjects.

Prescription Drug User Fee Act (PDUFA)
PDUFA established performance goals for the evaluation of applications for marketing drug and certain biological products. Review performance monitoring is being done in terms of cohorts, *e.g.*, the FY 2004 cohort includes applications received from October 1, 2003 through September 30, 2004.

Accomplishment of the cohort-year performance goals is not immediately measurable at the close of the fiscal year. The outcome can be measured after the last submission received in the fiscal/cohort year is acted upon, depending upon the category of submission.

Program has met or exceeded most of its performance goals from their inception in FY 1994 through FY 2003. The FY 2004 cohort review performance goals include:

- Complete review and action on 90 percent of standard original NDA/BLA submissions within 10 months; and complete review and action on 90 percent of priority original NDA/BLA submissions within six months of receipt;

- Complete review and action on 90 percent of standard efficacy supplements within 10 months; and complete review and action on 90 percent of priority efficacy supplements within six months of receipt*;*

- Complete review and action on 90 percent of manufacturing supplements within six months of receipt, and complete review and action on 90 percent of manufacturing supplements requiring prior approval within four months of receipt; and,

- Complete review and action on 90 percent of Class 1 resubmitted original applications within two months; and complete review and action on 90 percent of Class 2 resubmitted original applications within six months of receipt.

Medical Device User Fee and Modernization Act (MDUFMA)
MDUFMA provides the Biologics Program important new responsibilities, resources, and challenges. In exchange for user fees, FDA pursues a challenging and comprehensive set of device review performance goals that will significantly improve the timeliness, quality, and predictability of FDA's review of new devices. These goals were developed collaboratively by FDA, stakeholders, and Congressional staff.

Through its implemented changes, the Program has demonstrated that it has the ability to provide timely review of device submissions, consistent with the MDUFMA goals. Additionally, the Program has shown improved performance in review and approval of HIV-related diagnostic tests. However, it must be noted that, without the additive resources provided by the MDUFMA program, these results would not have been possible.

Blood Safety
On August 31 and September 1, 2004, CBER held a workshop on plasma standards, to aid in the development of standards for plasma that would address the regulatory concerns encountered over the years with the preparation, shipment, and use of plasma both for transfusion and in the manufacturing of blood products such as factor VIII and Immunoglobulin intravenous. Another major objective of the workshop was to gather information on current industry practices that are in place for the manufacturing of plasma including information on:

- Appropriate freezing and storage temperatures for the components;
- Appropriate time frame to freezing;
- Impact of time to freezing on final product;
- Identification of the recovered plasma component;
- Identifying date expiration for recovered plasma;
- Distinguishing recovered plasma from source plasma.

Tissue Action Plan
FDA has made significant progress towards completing the tissue action plan deliverables. FDA published the third of three proposed rules on November 18, 2004, intended to implement the tissue action plan. This rule requires establishments that recover, process, store, label, package, or distribute tissue, or that screen or test donors, to follow current good tissue practice requirements. The proposed rule also contains provisions for FDA inspection of establishments and enforcement of the regulations. FDA had already published final rules requiring human cell, tissue, and cellular and tissue-based product (HCT/P) establishments to register and list with the Agency as well as to perform donor screening.

PATIENT AND CONSUMER PROTECTION

West Nile Virus
West Nile Virus, first found in Africa in 1937, was identified in the Western Hemisphere for the first time in 1999 in the New York City area. Since then, it has spread quickly throughout most of the U. S. From January 2003 to the end of October 2003, 44 states and the District of Columbia reported more than 7,700 human cases of WNV infection, resulting in 166 deaths.

CBER and CDC have proven that WNV is transmitted by blood transfusion as well as tissue transplants. It is difficult to detect WNV due to low levels of virus in the blood and tissues. Though it is not possible to predict the incidence or severity of future WNV epidemics, the evidence suggests that all or most of the U.S. would be at risk for exposure to this illness each year.

CBER meets regularly with blood banks, CDC, and NIH to coordinate epidemiology and monitor test results, such as the December meeting of the Blood Products Advisory Committee in Gaithersburg, Maryland. The committee was updated on the WNV

epidemic and donor testing in 2003, including updates on WNV testing under investigational new drug applications and plans for 2004.

Xenotransplantation Action Plan

The development of xenotransplantation is, in part, driven by the fact that the demand for human organs for clinical transplantation far exceeds the supply. During 2002, more than 15 U.S. patients died while awaiting life-saving vital organ transplants. Moreover, recent evidence has suggested that transplantation of cells and tissues may be therapeutic for certain diseases such as neurodegenerative disorders and diabetes, where, again, human materials are not usually available. Although the potential benefits are considerable, the use of xenotransplantation raises concerns regarding the potential infection of recipients with both recognized and unrecognized infectious agents and the possible subsequent transmission to their close contacts and into the general human population. Of public health concern is the potential for cross-species infection with retroviruses, which may be latent and lead to disease years after infection. Moreover, new infectious agents may not be readily identifiable with current techniques.

Highlights of significant regulatory and policy accomplishments in FY 2004 are:

- The Xenotransplantation Product IND Reviewer Focus Group, consisting of the cross-disciplinary staff responsible for the review of xenotransplantation submissions. The Group meets regularly to discuss: application of the principles set forth in relevant FDA regulations; current scientific and medical data and literature relevant to transplantation; current status of xenotransplantation applications submitted to the Agency, and the unique issues that these products may present; and to highlight areas of concern where further expert advice may be needed;

- CBER reviewers continue to meet with and advise sponsors of ongoing and future clinical trials in xenotransplantation, and to work with other FDA Centers to ensure consistent regulation of xenotransplantation across FDA;

- The Secretary's Advisory Committee on Xenotransplantation met on February 24, 2004 to discuss two draft reports that addressed the state of the science as well as informed consent issues in xenotransplantation. Additional presentations and discussion focused on recent advances in xenotransplantation research, including a report of a clinical study of porcine islet xenotransplantation in type 1 diabetic patients, and results from recent studies of porcine endogenous retrovirus; and
- Continued CBER involvement in international activities for the safety and regulation of xenotransplantation products was instrumental in a WHO resolution approved by the World Health Assembly on May 22, 2004. The resolution calls for xenotransplantation to occur only in countries with appropriate oversight, international cooperation for development of guidelines, and collaboration and coordination for prevention and surveillance of xenotransplantation-derived infections.

New Requirements for E-Labeling of Biologics Applications
On December 9, 2003, FDA amended regulations to require electronic submission of labeling for review with certain BLA's, supplements and annual reports. This new rule is another step in FDA's efforts to use modern information technology to help inform the public and improve patient safety.

Sponsors are now required to submit to FDA in electronic format the content of the package insert or professional labeling, including all text, tables and figures. Electronic labeling of information will improve the labeling review process and speed up the approval and public dissemination of labeling changes, getting important, up-to-date information on medications to doctors and patients more quickly. Labeling content must be submitted in a form described in Agency guidance on electronic submissions. This standard format will allow FDA to process, review, archive, and distribute the information publicly.

New Requirements for Bar Codes on Drugs and Blood
On February 25, 2004, Secretary Thompson announced the FDA was issuing a final rule requiring bar codes on the labels of thousands of human drugs and biological products. The measure helps protect patients from preventable medication errors, reduces the cost of health care, and represents a major step forward in the Department's efforts to harness information technology to promote higher quality care.

"Bar codes help doctors, nurses, and hospitals make sure that they give their patients the right drugs at the appropriate dosage," Secretary Thompson said. "By giving health-care providers a way to check medications and dosages quickly, we create an opportunity to reduce the risks of medication errors that can seriously harm patients."

FDA first proposed bar-code requirements in March 2003 and received comments from hospitals, health care professionals, trade and professional associations and others showing widespread support for the approach. FDA estimates that the bar-code rule, when fully implemented, will help prevent nearly 500,000 adverse events and transfusion errors over a period of 20 years. The economic benefit of reducing health care costs, reducing patient pain and suffering, and reducing lost work time due to adverse events is estimated to be $93 billion over the same period.

The final rule applies to most drug manufacturers, repackers, relabelers, private label distributors and blood establishments. New medications covered by the rule will have to include bar codes within 60 days of their approval; most previously approved medicines and all blood and blood products will have to comply with the new requirements within two years.

PROTECTING HOMELAND -- COUNTERTERROISM

FDA plays a crucial role in protecting the public health by ensuring the availability of safe and effective medical countermeasures for mitigating the public health consequences

of a bioterror event. The Agency's responsibility is to regulate the development and licensure of new biological products, including vaccines, blood and blood products, human tissues and cells and gene therapies. FDA also collaborates closely with other federal agencies, such as DOD, NIH, and CDC to develop protocols, conduct animal studies, and define reference databases on treatment and alternative therapies for infectious diseases caused by the intentional use of biological agents. Major counterterrorism activities during FY 2004 included:

- October 23, 2003, approval of BabyBIG, Botulism Immune Globulin Intravenous (Human) (BIG-IV), California Department of Health Services, Berkeley, California. BabyBIG is indicated for treatment of infant botulism caused by type A or type B Clostridium botulinum;

- April 29, 2004, approval of supplement to the BLA for Anthrax Vaccine Adsorbed (BioThrax), manufactured by BioPort Corporation, Lansing, Michigan, to include an extension of dating to 24 months;

- Final rule and final order regarding the safety and efficacy of certain licensed biological products including anthrax vaccine, December 30, 2003. The final order states the conclusion that the licensed anthrax vaccine, Anthrax Vaccine Adsorbed, is safe and effective for the prevention of anthrax disease - regardless of the route of exposure;

- Direct final rule to allow for greater flexibility when manufacturing with spore-forming microorganisms in the production of vaccines and counter-terrorism products [21 CFR 600.11(e) (4)]. This rule went into effect June 1, 2004, and the accompanying guidance document is in the final stages of clearance before publishing for comment; and

- Workshop on October 23 – 24, 2003, "Counter Terrorism Products Regulated by CBER: Effective Strategies to Assist in Product Development."

IMPROVING FDA'S BUSINESS PRACTICES

Electronic Document Room (EDR)

This collection of systems receives electronic transmission of information from industry and FDA. The EDR stores, retrieves, and distributes electronic submissions to reviewers, and is integrated with regulatory databases to allow for advanced searches based on data in CBER databases. The EDR automates processing of submissions and automatically sends notifications to reviewers, and serves as a repository for generated final documents.

Gene Therapy Patient Tracking System Development (GTPTS)
This integrated system for the collection and analysis of information to assess and promote gene therapy product safety. The GTPTS represents a comprehensive evaluation and re-engineering of FDA approaches regarding data pertinent to the safety of recipients of gene therapies, including collection of data from gene therapy recipients; and use of the data and analyses to make informed regulatory decisions and increase the understanding of researchers, subjects, and the public.

Genetic Modification Clinical Research Information System (GeMCRIS)
On March 26, 2004, FDA and NIH announced a new GeMCRIS – a web-accessible database on human gene transfer. This collaboratively developed system is a unique public information resource as well as an important new electronic tool to facilitate the reporting and analysis of adverse events in clinical trials. The new system will provide information directly to the public and will improve the government's ability to monitor adverse events in gene transfer research, also known as gene therapy.

Acting Commissioner, Crawford, emphasized that "the development of GeMCRIS illustrates the government's commitment to addressing public and patient concerns about safety while advancing gene therapy. Providing accurate and complete information about ongoing gene therapy studies is the best way to achieve this goal."

GeMCRIS will enable patients, research participants, scientists, sponsors, and the public at large to become better informed about gene transfer research. Through drop-down menus and preformatted reports, individuals can easily navigate the GeMCRIS site to view information on particular characteristics of clinical gene transfer trials. For example, GeMCRIS users can learn where trials are taking place, which diseases or health conditions are being studied, and what investigational approaches are being taken. While offering a rich array of information of value to many types of users, GeMCRIS also includes special security features to protect patient privacy and confidential commercial information.

Creation of Tissue Safety Teams
CBER has improved monitoring of tissue safety by implementing the interdisciplinary and cross-office teams to monitor and analyze adverse event reports and, as an ultimate goal, move toward a system of active surveillance. This includes the development of Standard Operating Procedures to facilitate reporting and specify procedures for the receipt and investigation of adverse events. This will involve coordination of training, outreach, inspection, and compliance activities.

Biologics
Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actuals	FY 2005 Estimate	FY 2006 Estimate
Total Original License Application (BLA) Reviews[1/]	11	15	18
BLA Approvals	7	10	10
Median BLA Approval Time (months)	16.53	12.0	14.0
License Supplement (BLA) Reviews[1/]	2,496	2,500	2,500
NDA & NDA Supplement Approvals	69	70	70
ANDA & ANDA Supplement Approvals	2	3	3
PMA & PMA Supplement Reviews[1/]	29	30	30
510(k) Reviews[1/]	100	100	100
Commercial IND/IDE Receipts	132	140	150
IND/IDE Amendments Receipts[2/]	7,884	8,300	8,700
Active INDs/IDEs[2/]	2,626	2,700	2,750
Adverse Event Report Receipts [3/]	20,400	21,000	21,000
Biological Product Deviation Reports Receipts	38,164	40,000	40,000

1/Total of approval, and complete decisions. Does not include refuse-to-file decisions or withdrawals.
2/Includes IND, IDE, Master File and license master file receipts.
3/Includes MedWatch, Foreign reports and VAERs reports. Does not include Fatality Reports or Medical Device Reports for CBER-regulated medical devices.

PERFORMANCE GOALS AND TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Complete review and action on 90% of standard original PDUFA NDA/BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt. (13001)	FY 06: Standard Applications within 10 months: 90% Priority Applications within 6 months: 90%
Complete review and action on 90% of standard PDUFA efficacy supplements within 10 months; and review and act on 90% of priority PDUFA efficacy supplements within 6 months of receipt. (13002)	FY 06: Standard Applications within 10 months: 90% Priority Applications within 6 months: 90%
Complete review and action on 90% of complete blood bank and source plasma BLA submissions and 90% of BLA supplements within 12 months after submission date. (13005)	FY 06 : BLA Submissions: 90% BLA Supplements 90%

ANIMAL DRUGS AND FEEDS
CENTER FOR VETERINARY MEDICINE (CVM)

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$67,656,000**	**$75,658,000**	**$78,338,000**	**+$2,680,000**
Total FTE	*349*	*373*	*385*	*+12*
Budget Authority	**$66,573,000**	**$67,551,000**	**$67,769,000**	**+$218,000**
GSA Rent & Rent Related	*$12,043,000*	*$12,259,000*	*$12,477,000*	*+$218,000*
Total FTE	*346*	*315*	*309*	*-6*
User Fee	**$1,083,000**	**$8,107,000**	**$10,569,000**	**+$2,462,000**
ADUFA	*$1,083,000*	*$8,107,000*	*$10,569,000*	*+$2,462,000*
FTE	*3*	*58*	*76*	*+18*

ORA Estimate				
Budget Authority	*$33,080,000*	*$39,383,000*	*$39,519,000*	*+$136*
FTE	*246*	*240*	*228*	*-12*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$55,727,000	$55,727,000	$0	323
2003 Actual	$57,115,000	$57,115,000	$0	341
2004 Actual	$67,656,000	$66,573,000	$1,083,000	349
2005 Enacted	$75,658,000	$67,551,000	$8,107,000	373
2006 Estimate	$78,338,000	$67,769,000	$10,569,000	385

Does not contain GSA Rent or Other Rent and Rent Related Activities.
1/ Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET REQUEST

The Animal Drugs and Feeds Program is requesting $78,338,000 in program level resources to accomplish its mission activities including:

- Foster public and animal health by approving safe and effective products for animals and by enforcing applicable provisions of the Federal Food, Drug, and Cosmetic Act, and other authorities;

- Process premarket applications as quickly as possible to increase the availability and diversity of safe and effective veterinary products that relieve animal pain and suffering while ensuring the resulting products are safe, wholesome, and free of drug residue when they reach the consumer; and,

- Monitor marketed products for all animal drugs and feeds to minimize harm to humans or animals that might arise from the use of these products. This is accomplished through science-based review of drug experience reports, nationwide monitoring systems, compliance programs conducted by FDA field offices through inspections, sample collections, analysis, investigations, and appropriate regulatory actions to control violative goods and firms.

PROGRAM DESCRIPTION

The Animal Drugs and Feeds Program (Program) is administered by FDA's Center for Veterinary Medicine (CVM) and supported by the Office of Regulatory Affairs' (ORA) field force. The authority to regulate animal drugs and medicated feeds is derived from the Food, Drug, and Cosmetic Act, which in 1968 was amended to include sections specifically addressing animal drugs. These amendments were designed to ensure that animal drugs are safe and effective for their intended uses and that the drugs do not result in unsafe residues in foods. In November 2003, the Animal Drug User Fee Act was enacted that provided the authority for FDA to collect user fees for its animal drug review work. The new law is intended to supplement the appropriated resources for conducting the animal drug review program. These resources provided by the law will help the Animal Drugs and Feeds Program's scientists keep pace with the rapid advances in science and medicine that drive the quality of health care for animals.

The Animal Drugs and Feeds' Program scope is far-reaching. The program's customers include:

- *115 million dogs and cats*
- *6.9 million horses*
- *7.5 billion chickens*
- *292 million turkeys*
- *109 million cattle*
- *92 million pigs*
- *7 million sheep*
- *293 million humans in the U.S.*

The safety of the food supply is a paramount concern for the Program, as the average American consumes nearly 200 pounds of meat and fish, 30 pounds of eggs, and 600 pounds of dairy products each year. While most of these food products are regulated by the USDA FDA plays a key role in ensuring that animal drugs and feeds used in the care of these animals do not result in unsafe residues in food products that are harvested or produced (e.g., eggs) from these animals.

ORA supports the CVM, by conducting preapproval inspections of both domestic and foreign establishments and other premarket-related activities such as: bioresearch monitoring of clinical research and laboratory method validations needed for premarket application decisions, and inspections of manufacturing facilities to determine if the factory is able to manufacture the product to the specifications stated in the application. In addition to overseeing regulated products on a surveillance or "for cause" basis, ORA staff also responds to emergencies and investigates incidents of product tampering and terrorist events or natural disasters. To complement the regular field force, the Office of Criminal Investigations investigates instances of criminal activity in FDA regulated industries. In FY 2006, ORA will expend an estimated $39,519,000 in support of the Animal Drugs and Feed Program.

The Program's other priorities are animal drug review, antibiotic resistance, prevention of Bovine Spongiform Encephalopathy (BSE) or "mad cow disease," and the safety of food derived from genetically modified animals. Of these priorities, efforts have sought to limit the exposure of BSE in the food and feed supply began in 1997 when FDA issued a regulation prohibiting the use of most animal proteins in feeds for cattle and other ruminants. In its enforcement strategy, FDA initiated a comprehensive inspectional program using the Field and its state partners covering 100 percent of the affected industry. With its educational emphasis and other outreach efforts, the result has been that more than 99 percent of all renderers and feed mills in the U.S. who process prohibited material now comply with this regulation. Concurrent with this approach was the development of a response planning mechanism coordinated by FDA's Office of Crisis Management that would be used when a BSE-positive animal was discovered. In addition, FDA began to monitor imports through entry review of all feed and feed ingredient commodities and sampling for the presence of processed animal protein. In late December 2003, a BSE-positive animal was identified and the response plan went into action. A series of inspections and trace-back procedures were instituted which determined that all of the BSE-infected materials were recovered. In mid-January 2004,

FDA announced additional safeguards to protect the public from becoming exposed to infected BSE material in the food supply.

PERFORMANCE ANALYSIS

During the latest completed performance period, (FY 2004), CVM achieved the targets for two of its three performance goals, and expects to meet the other one when data becomes available in October 2005. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

With the passage of the Animal Drug User Fee Act (ADUFA) of 2003 and the resulting availability of user fees, the Program changed its new animal drug review performance goals to reflect the more ambitious performance target plans under ADUFA. Since the ADUFA fee structure is predicated on supplementing existing appropriated funding, the request must be designed to ensure that budgetary authority and user fees are adequate. The performance goal and target below is dependent upon a sustained level of base and user fee resources.

Performance Highlight:

Goal Target	Context	Results
Complete review and action on 90% of original NADAs & reactivations of such applications received in FY 2006 within 230 days.	The user fee program reflects the implementation of a five (5) year plan to improve the performance for animal drug review.	The benefits provided by the user fee program include: shorter review times; a more predictable and stable review process; and overall reduction in drug development times.

RATIONALE FOR BUDGET REQUEST

This request for Budget Authority and User Fees supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goal.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the

operating program, would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into the Animal Drugs and Feed program level requests.

Office of Regulatory Affairs (ORA) Estimate and Structure Change

This budget also establishes a single budget line item for the ORA. To help the field program provide services more effectively, especially by providing much needed flexibility to respond to shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

GSA Rent + $218,000

To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested, of which $218,000 is for the Center for Veterinary Medicine. This increase will help cover inflation on FDA's current GSA leased facilities.

User Fee

Animal Drug User Fee Act (ADUFA): + $2,462,000 and + 18 FTE

ADUFA enacted in November 2003, contained a required appropriations action enabling FDA's implementation of ADUFA. ADUFA helps the FDA, through a strengthened animal drug pre-market review program, to provide greater public health protection by ensuring that animal drug products that are approved to be safe and effective are readily available for both companion animals and animals intended for food consumption. Additional resources provided by ADUFA will also help FDA scientists keep pace with the rapid advances in science and medicine that drive the quality of health care for our animals. ADUFA, which requires new animal drug applicants, sponsors, and establishments to incur a fee to expedite their respective applications, will help provide a cost-efficient, high quality animal drug review process that is predictable and performance driven. This increase of $2,462,000 will cover inflationary costs, as well as overhead and rent costs, for additional staff associated with the Act.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES

Base resources will be used to conduct science-based risk management in all agency regulatory activities; so that the agency's limited resources can provide the most health promotion and protection at the least cost for the public. These activities include premarket review compliance activities related to the BSE regulation and imports and inspections.

Bovine Spongiform Encephalopathy (BSE)

BSE or "Mad Cow Disease" is a deadly chronic, degenerative disorder affecting the central nervous system. Feed containing remnants of the slaughtering process, such as the brain and spinal cord, may harbor the agent that causes BSE. To ensure such substances are not contained in animal feed, and to prevent the establishment and amplification of BSE through animal feed, the FDA finalized a regulation on August 4, 1997 entitled "Animal Proteins Prohibited from use in Animal Feed". FDA will:

- Conduct annual, targeted BSE inspections of all known renderers and feed mills processing products containing prohibited material, such as meat and bone meal;

- Conduct selected inspections of animal feed industry firms subject to the animal protein prohibition, including renderers, feed mills, feed distributors, feed retailers, transporters, on-farm mixers, and ruminant feeders;

- Issue and coordinate assignment for directing identification and inspections of firms engaged in animal feed salvaging and feed transportation;

- Implement enforcement actions and conduct re-inspections involving firms found to be in violation of the regulation;

- Issue and implement import alerts and bulletins regarding animal feed, animal feed ingredients and other products for animal use consisting of or containing ingredients of animal origin from both countries at-risk and not at-risk for BSE;

- Collect and analyze samples of domestic and imported feeds and feed ingredients to monitor for the presence of prohibited animal proteins;

- Maintain relationships with industry using telecommunication and conferences to provide information on regulatory compliance and share inspection data;

- Develop and validate an improved method for detecting prohibited animal proteins in feed using Real Time PCR (Polymerase Chain Reaction) that will allow for the identification of up to four different prohibited species in a single reaction;

- Adapt the Real Time PCR methodology to identify prohibited animal proteins in rendered materials from the European Union as well as materials rendered in the United States;

- Continue to evaluate commercially available rapid tests for prohibited proteins in animal feeds;

- Maintain the database and data entry procedures for BSE inspections, and new BSE inspection checklist to target firms for re-inspections and to collect high quality data from both FDA and state inspectors;

- Maintain a web-based, dynamic report available to the public and other health related agencies that summarizes the most current information concerning the results of inspections involving all firms subject to BSE inspections;

- Test proposed risk management proposals in terms of the effects on the spread and the rate of elimination of BSE, if introduced into the U.S., with the help of the Harvard BSE Risk Assessment simulation;

- Leverage with state agencies by funding contract inspections of feed mills and renderers, and conduct compliance, follow-up, and audit inspections to state contracts;

- Provide education to state feed control officials and FDA investigators on policies and inspectional procedures concerning the animal protein prohibition through training seminars, courses and feed safety meetings; and,

- Provide intensive line entry and label review of Animal Drug and Feed product import line entries for use in domestic commerce.

Premarket Review

The availability of safe and effective animal drugs allows food animal producers to maintain healthy animals with assurance that products will be safe, wholesome, and free of harmful drug residues when they reach the consumer. FDA strives to improve product review performance and meet the increasing complexity of review workload. Keeping pace with technological advances will contribute to the efficiency of agency reviews, and decrease review time. FDA will:

- Continue to increase the availability of safe and effective animal products, by reviewing animal drug applications in a timely manner for safety and effectiveness, and continue to work with regulated industry to minimize drug development time;

- Conduct pre-submission conferences, meetings, and workshops with industry and develop policy and practical guidance documents as necessary to industry;

- Continue implementation of the ADUFA;

- Continue the enhanced review performance achieved in FY 2004;

- Improve the quality and timeliness of product reviews by monitoring pre-approval inspections and expanding inspectional expertise in emerging technologies;

- Review previously approved new animal antimicrobial drug submissions with respect to antimicrobial resistance and human food safety;

- Conduct method validation studies for the approval of applications for new drugs for food producing animals;

- Continue development and validation of multi-residue drug screening methods;

- Resolve new and emerging scientific issues that impact on the CVM's ability to make approval decisions; and,

- Prepare implementation regulations for the Minor Use and Minor Species Animal Health Act of 2004 (MUMSAHA) to help make more medications legally available to veterinarians and animal owners to treat minor animal species and also uncommon diseases in the major animal species.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Base resources will be used to better enable consumers to make informed decisions weighing benefits and risks of FDA-regulated products. These activities include:

- Delivering food safety and veterinary health messages to livestock producers, veterinarians, industry and consumers via trade shows, videotapes, and pamphlets to educate them on safe drug use, including prudent use of antibiotics in food animals to minimize the risk of antimicrobial resistance; and,

- Enhancing the transparency of the National Antimicrobial Resistance Monitoring System (NARMS) program to stakeholders, the public and other interested parties by increased reporting and communications of NARMS results and program information by: publishing annual reports of animal, human and retail meat data; posting NARMS publication references on the web, and presenting NARMS susceptibility testing results at scientific meetings via poster or oral presentations.

PATIENT AND CONSUMER PROTECTION

Base resources will be used to promote improved patient and consumer safety by reducing risks associated with FDA-regulated products.

Food Safety

Millions of people get sick annually from food they eat. Some foodborne illnesses are due to harmful or illegal residues in animal products while other illness is due to microbiological infection. In order to safely manage animal drug use at home and abroad, we must have the knowledge to make proactive, sound science based decisions. In pursuit of these objections the Agency will:

- Continue the retail meat arm of NARMS by monitoring changes in antimicrobial drug susceptibilities of selected enteric bacterial organisms in retail meats to a panel of antimicrobial drugs important in human and animal medicine;

- Continue research to identify food animal species causing human drug resistance;

- Provide educational information on biotechnology products and assist developers through the regulatory process;

- Continue to support the World Health Organization's Global Salmonella Surveillance;

- Continue leveraging FDA's Tissue Residue Information Management System (RVIS) with the USDA's Residue Violation Information System to Maintain Tissue Residue and Feed contaminants compliance programs;

- Continue FDA field inspections and take appropriate regulatory and enforcement action against firms illegally compounding animal drugs;

- Develop intervention measures to establish additional controls over the shipment, receipt, and use of bulk active pharmaceutical ingredients in compounding animal drugs; and,

- Maintain early warning systems by collecting information from Drug Experience Reports and Adverse Event Reports.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

The goals of the Program are to protect the health and safety of all food producing, companion, and other non-food animals; and assure that food from animals is safe for human consumption. FDA must work to develop profiles of possible or probable food threats and points of attack and must have the capacity to quickly and accurately identify outbreaks at any point in the food chain, and take prompt action to mitigate their effects. Base funding will enable FDA to:

- Sample domestic animal feeds and those detained at U.S. ports of entry that contain ingredients possibly derived from prohibited animal material;

- Strengthen relationships with state partners and solicit interest in the expansion of contracting efforts with state laboratories to provide surveillance and surge capacity related to counter terrorism activities;

- Work with Iowa State University on a database that assists "first responders" by providing quick identification of qualified labs that have the capability to analyze feed and/or animal tissues for the presence of a chemical or biological agent, immediate contact with national experts on the disease or toxicant to obtain help in diagnosis and appropriate follow-up, and information on how to take, preserve, and ship an appropriate feed or animal sample to the laboratory for analysis;

- Continue developing more efficient rapid analytical methods for screening imports at the border;

- Develop a list of high priority products for countermeasures and periodically review and update list;

- Assist state diagnostic laboratories in acquiring the scientific expertise, analytical expertise and capability to handle a feed contamination incident;

- Maintain a comprehensive inventory of registered animal drug establishments and listed animal drug products and use the database to assess the availability or anticipated shortage of animal drug products that would be needed to deal with terrorist attacks;

- Continue to develop analytical methods to detect the presence of prohibited toxic substances that could be introduced into U.S. animal feed supplies. Once developed and optimized, these methods would be used by FDA laboratories to test prohibited substances in routine animal feed surveys;

- Work with CDC on a bioterrorism surveillance system for companion animals that can be used as an early detection mechanism; and,

- Intensify the review of products offered for import and collaborate with the Custom Service on safety and security issues at ports of entry.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

Bovine Spongiform Encephalopathy (BSE)

- For fiscal year 2004, inspected over 6,806 renderers, feed mills, and other firms, including on-farm mixers and ruminant feeders, to determine compliance with the BSE feed regulations. At the end of the FY 2004, 17 firms were classified as being out of compliance at the time of their last inspection. Re-inspections of these facilities determined to be out of compliance with the BSE regulation are still on-going;

- FDA and state investigators specifically inspected a high-interest subset of 645 firms as part of our annual BSE performance goal feed inspections obligation. This subset represented 100 percent of all known renderers and feed mills processing products containing prohibited material;

- In July 2004, co-published with USDA an advanced notice of proposed rulemaking (ANPRM) requesting comments and scientific information on several additional regulatory measures that would strengthen the feed regulation;

- Developed a real-time Polymerase Chain Reaction (PCR) based method capable of detecting cattle, swine, sheep, goats, horses, or deer material along with poultry, goose, and turkey for use in analyzing samples of animal feeds and feed ingredients in support of the animal protein prohibition;

- Evaluated two commercially available diagnostic test marketed to detect mammalian proteins in animal feed and feed ingredients;

- Issued 10 Warning Letters for animal proteins prohibited in ruminant feed, and 15 class II recalls involving 15 firms and 25 products in response to violations of the BSE rule;

- Issued assignments for collection of 600 samples from domestic animal feeds, 300 samples of animal feeds imported from countries not considered at risk for BSE, and 300 samples of animal feeds imported from countries considered at risk for BSE for subsequent feed analysis to determine possible non-compliance with the ruminant feed ban regulation and the import alert prohibiting importation of feeds containing animal tissues;

- Provided separate formal ruminant feed ban inspection training seminars to feed safety officials in the states of Montana, Washington, Oregon, New York, Wisconsin, Oklahoma, and Idaho;

- Participated in BSE working groups at three separate meetings of the Association of American Feed Control Officials;

- Provided staffing to the FDA and USDA/APHIS emergency operation centers, tracking the distribution and disposition of suspect material, communicating with state authorities, and overseeing the final disposition of destruction of suspect material after discovery of a BSE-infected cow in the U.S.; and,

- Issued Guidance for Industry (GFI #174) for the disposition of material from BSE positive cattle in animal feed.

Premarket Review

- Approved the following noteworthy medicines.

    - **SIMPLICEF (cefpodoxime proxetil**) new chemical entity to treat skin infections (wounds and abscesses) in dogs caused by susceptible strains of *Staphylococcus intermedius, Staphylococcus aureus, Streptococcus canis* (group G, β hemolytic), *Escherichia coli, Pasteurella multocida,* and *Proteus mirabilis.*

    - **EXCEDE for Swine (ceftiofur crystalline free acid) sterile suspension** - EXCEDE for Swine is an antimicrobial indicated for the treatment of swine

respiratory disease (SRD) associated with *Actinobacillus pleuropneumoniae*, *Pasteurella multocida*, *Haemophilus parasuis*, and *Streptococcus suis*.

- **METACAM Injectable Solution (meloxicam)** original approval for the control of pain and inflammation associated with osteoarthritis in dogs.

- **NAVIGATOR Oral Paste (nitazoxanide)** new chemical entity for the treatment of equine protozoal myeloencephalitis (EPM).

- **ULCERGARD (omeprazole) Oral Paste** original OTC approval for the prevention of gastric ulcers in horses.

- **VETSULIN (insulin)** new chemical entity and the first veterinary insulin approval. The product is approved to treat hyperglycemia and hyperglycemia-associated with diabetes mellitus in dogs.

- **BUSCOPAN Injectable Solution (N butylscopolammonium bromide**) new chemical entity for the control of pain associated with spasmodic colic, flatulent colic and simple impactions in horses.

- **SURPASS Topical Anti-inflammatory Cream (diclofenac)** new chemical entity for the control of pain and inflammation associated with osteoarthritis in horses.

- **SEDIVET Injectable Solution (romifidine hydrochloride)** new chemical entity for use as a sedative and analgesic for the facilitation of handling, examination, and minor surgical manipulations in horses.

- **PREVICOX Tablets (firocoxib)** new chemical entity for the control of pain and inflammation associated with osteoarthritis in dogs.

CVM Approves First 4-Way Combination Drug

CVM recently approved the first four-way drug combination product under the Animal Drug Availability Act of 1996 (ADAA) that eased the requirements for combination approvals.

Before ADAA, a drug sponsor had to prove the effectiveness of each drug in the combination drug. Under ADAA, the sponsor faces no additional requirements to prove effectiveness of combinations made up of previously approved drugs. The sponsor needs only to show that each drug brings an additional claim to the combination and the drug's safety is not diminished. For combination drugs, ADAA "streamlined the process" and removed certain regulatory hurdles.

The recently approved four-way combination product is an over-the-counter Type A medicated feed article approved for use in heifers fed in confinement for slaughter. The product is made up of four previously approved products—Optaflexx (ractopamine hydro-chloride), Rumensin (monensin sodium), Tylan (tylosin phosphate) and MGA (melengestrol acetate). The sponsor is Elanco Animal Health.

This combination product is approved for increased rate of weight gain, improved feed efficiency, increased carcass leanness, the prevention and control of coccidiosis due to Eimeria bovis and E. zuernii, reduction of incidence of liver abscesses caused by Fusobacterium necrophorum and Actinomyces (Corynebacterium) pyogenes and suppression of estrus.

- Issued a regulation describing the procedures for requesting, conducting and documenting presubmission conferences;

- Issued draft Guidance for Industry (GFI #169) on the chemistry, manufacturing and controls information to be submitted for certain drug substances to ensure continued drug substance and drug product quality;

- Issued draft Guidance for Industry (GFI #162) for preparing and using comparability protocols for changes in chemistry, manufacturing and controls of protein drug products;

- Issued draft Guidance for Industry (GFI #135) for validation of analytical procedures for Type C medicated feeds;

- Issued draft Guidance for Industry (GFI #171) for waiver of in vivo demonstration of bioequivalence of animal drugs in soluble powder oral dosage form products and Type A medicated articles;

- Issued draft and final guidance documents resulting from collaborative efforts with industry and international regulatory partners within VICH to harmonize preapproval guidance;

- Completed a Public Master File for tylosin through the National Research Support Project #7 (NRSP-7) initiative for the control of American Foulbrood Disease in honeybees. An announcement of the availability of these data was published in the Federal Register. These data may now be used by reference to support a New Animal Drug Application for this claim; and,

- Held a NSRP-7 meeting with stakeholders in the spring to improve the communication between producer groups, the regulated industry, and government.

Minor Use and Minor Species Animal Health Act of 2004 (MUMSAHA)

- On August 2, 2004, President signed The Minor Use and Minor Species Animal Health Act of 2004 (MUMSAHA) to help make more medications legally available to veterinarians and animal owners to treat minor animal species and also uncommon diseases in the major animal species; and,

- Established the new Office of Minor Use and Minor Species Animal Drug Development, as mandated by MUMSAHA.

New "MUMS" Legislation to Help Make Animal Drugs Available for Limited Uses, Minor Species

President Bush has signed legislation that will help make more medications legally available to veterinarians and animal owners to treat minor animal species and uncommon diseases in the major animal species.

The goal of this legislation is to provide incentives to pharmaceutical companies to develop drugs for limited uses and to provide some alternative approaches to the usual drug approval process for limited-use animal drugs, thus changing the economic outlook for the drug approval process.

In addition, the measure is expected to benefit people who own small or unusual pets such as guinea pigs or ornamental fish, and will likely aid zoo veterinarians. Before this, pharmaceutical companies could rarely afford to bring to market drugs for novel pets and zoo animals. The markets were just too small to generate an adequate financial return.

Minor use drugs are drugs for use in major species (cattle, horses, swine, chickens, turkeys, dogs and cats) that are needed for diseases that have a limited geographic range or affect a small number of animals. Minor species includes all animals other than the major species, which includes zoo animals, ornamental fish, parrots, ferrets and guinea pigs. Some animals of agricultural importance are also minor species. These include sheep, goats, catfish and honeybees.

Animal Drug User Fee Act (ADUFA)

- Implemented ADUFA by hiring reviewers, developing procedures for applying the new law, and establishing fee rates and payment procedures;

- FDA met or exceeded all review times defined under ADUFA for FY 2004 for applications and submissions that have been acted on as of September 30, 2004. Additional applications and submissions received in FY 2004 are pending review and action, but are still within ADUFA time frames;

- The 833 submissions not associated with abbreviated new animal drug applications (ANADAs) that were pending before September 30, 2003, have been reviewed and acted upon**.** FDA was required to review and act on pending NADAs, supplemental NADAs, and INAD submissions within 24 months after user fee payments were initiated;

- FDA has made substantial progress in recruiting for its review staff and will meet its goal of having 50 percent of additional FDA review staff recruited and on-board by the first quarter of FY 2006;

- On March 15, 2004, FDA published Guidance for Industry (GFI #170) "Animal Drug User Fees and Fee Waivers and Reductions" to help industry understand the ADUFA fee structure and the options available to individuals who qualify for a fee waiver or reduction;

- On September 28, 2004, FDA published draft Guidance for Industry (GFI #173) "Animal Drug Sponsor Fees under the Animal Drug User Fee Act";

- The implementation included developing and publishing in the Federal Register the fees for FY 2004 and 2005, as follows: *Establishment of Animal Drug User Fee Rates for Applications for FY 2004 and Payment Procedures* on February 18, 2004; *Establishment of Animal Drug User Fee Rates and Payment Procedures for Product, Establishment, and Sponsor Fees for FY 2004* on April 27, 2004; and, *Establishment of Animal Drug User Fee Rates and Payment Procedures for FY 2005* On August 2, 2004; and,

- The financial implementation also included an electronic prototype for FDA that fully automated the application fee collection and billing process using a web based front-end tool called the *I*Store. The ADUFA implementation highlights FDA progress in improving financial management, budget and performance integration, and in expanding E-government in strategic alignment with the President's Management Agenda.

Biotechnology

- The Animal Biotechnology Working Group made progress concentrating its effort on ensuring personnel are aware of the critical issues in biotechnology, possess the scientific skills necessary to address the rapidly evolving and highly technical issues associated with animal biotechnology, and are familiar with the regulatory environment surrounding those issues;

- As part of staff development program, instituted a rotating detail program for reviewers with senior staff to acquaint them with policy development and potential implementation in animal biotechnology;

- Continued to develop a transgenic animal policy. Participated in White House-level deliberations to evaluate the role of genetically engineered animals in the Coordinated Framework for the Regulation of Biotechnology. Prepared case studies on animal biotechnology products to serve as a basis for legal and policy deliberations. Participated in listening sessions sponsored by the Office of Science and Technology Policy with stakeholders from industry, the research community, and non-government organizations;

- Continuing to work with sponsors of animal biotechnology products to ensure that their progress is responsible but not duly burdened as the Federal government prepares a policy on transgenic animals; and,

- Completed draft Risk Assessment on Animal Clones and their Progeny; prepared a Proposed Risk Management Plan and a draft Guidance for Industry on the use of cloning technology in animal breeding and release of clones and their progeny into the food supply; briefed the Secretary's staff on the cloning package.

Aquaculture

- Determined the effectiveness of formalin treatments to reduce mortality associated with fungal infections in rainbow trout. The data was submitted to a public master file for use in possible approvals for drugs for fish under the Minor Use Minor Species program;

- Continued to standardize methods for antimicrobial susceptibility testing (AST) of microorganisms in aquatic species by developing a broth micro dilution AST method. Standardized methods are necessary for monitoring antimicrobial resistance in aquaculture;

- Developed a relational database of information on pharmacokinetic parameters in fish that provides a rapid access to data about the metabolism, accumulation, and elimination of drugs or chemicals in fish tissues;

- Conducted a number of studies to provide incurred residues of drugs in fish tissues to support the development of methods for detecting drug residues in fish tissues. One

such study provided incurred tissues for development of a single method for detecting multiple drug residues in fish;

- Coordinated and collaborated in a study to compare a chemical method and a microbiological method for detecting erythromycin in fish tissues;

- Developed an internal parasite infection model in largemouth bass. These fish containing the internal parasite will be used to test the effectiveness of various drugs for the treatment of the infection; and,

- Developed a Risk Assessment Tool to evaluate data collected on the risk of drugs used in foreign aquaculture that will help assess possible hazardous drug residues in food and prioritize them for analytical method development and drug residue monitoring.

Imports, Inspections, and Surveillance

- Issued a guidance describing the four conditions veal producers needed to meet to be able to sell their calves for veal that were illegally implanted with hormone implants;

- Issued a Guidance For Industry (GFI #122) "Manufacture and Labeling of Raw Meat Foods for Companion and Captive Non-companion Carnivores and Omnivores" which contains specific recommendations manufacturers can take to decrease the health risks to the public from handling and feeding raw meat diets to their animals;

- Issued a notice in July 2004 reminding dairy producers and others that they should not feed milk replacer products that contain neomycin to calves that could go to slaughter as veal;

- Investigated 743 tissue residue violations via our compliance program resulting in issuing 105 tissue residue-related Warning Letters, and 3 injunctions against dairy farms that had marketed cows and calves whose edible tissues contained illegal drug residues;

- Initiated use of a drug inventory survey form by investigators who make on-farm visits to help establish priorities for drugs to be included in the USDA National Residue Plan;

- Met with various trade associations and issued an assignment to FDA District Offices to inspect 20 compounding pharmacies to reduce the risk from use of compounded veterinary drug products in food-producing and non-food-producing animals;

- Completed inspections of more than half of the approximately 1141 FDA-licensed medicated feed mills in the United States;

- Completed 50 feed recall events. Thirty-tree of the 50 recall events were feed related. Fifteen of the 33 recalls were related to BSE feed regulation;

- Assisted the states in reviewing feed labeling and pursued regulatory action if necessary. Completed 131 label reviews;

- Per FDA's request, the manufacturer of the heartworm medication ProHeart6 agreed in September 2004 to cease production immediately and recall the drug from the market until FDA's concern about adverse reaction reports associated with the product could be resolved;

- Reviewed and summarized comments received from a two-day public meeting in September 2003, with industry, government and public consumers, to discuss the potential development of a comprehensive, risk-based Animal Feed Safety System. Prepared a report identifying the strengths and weaknesses of current U.S. and international programs. Made available the draft definitions for comprehensive and risk-based, and the basic elements of process control for public review. All were placed in the AFSS docket to allow for public comment;

- Issued FACTS Assignment #539994 entitled "Dioxins in Fish Meals, Fish Oils, Deodorizer Distillates and Filtering/Bleaching Clays – Nationwide Survey." on June 16, 2004;

- Summarized the results to date on dioxin levels in grains, grain by-products, fish meal, fish oil, and forages. Also summarized the dioxin results from 14 follow-up investigations in cattle that the FDA conducted as a result of a recent USDA survey;

- Received 28,424 adverse experience reports, over 5,000 more than FY 2003, and reviewed 18,625 of these complaints. Because of the severity of this year's complaints, we spent considerably more review time than in previous years reviewing individual adverse drug event (ADE) submissions involving heartworm drug safety and lack of effectiveness; and**,**

- Finalized a curriculum for cGMP training and initiation of the Pharmaceutical Inspectorate Training Course in August 2004. This supports the FDA's priority of modernizing the health care system through improved cGMPs.

Emerging Issue – Monkey-Pox

- On November 4, 2003, in collaboration with CDC, issued an interim final rule for Monkey-Pox, a zoonotic disease that spread from imported African rodents to prairie dogs to humans. The interim final rule is to establish new restrictions and modify existing restrictions on the original FDA/CDC Joint Order adopted on June 11, 2003 under the Public Health Service Act; and,

- Assured affected parties were notified of the Interim Final Rule, coordinated the follow-up to possible violations of the Rule, and evaluated requests for permits to allow movement of animals for reasons other than those identified in the Rule.

During FY 2004, FDA responded to approximately 125 requests for a permit, mostly dealing with the capture and transport of wild prairie dogs, to transport these animals.

PATIENT AND CONSUMER PROTECTION

Antimicrobial Resistance

- Published the final Guidance for Industry #152 document on antimicrobial resistance on October 23, 2003. This guidance was developed with public input and is significant because it provides a scientific, risk-based approach to preventing antimicrobial resistance that may result from the use of antimicrobial drugs in food-producing animals;

- Developed a database that will be searchable from the web containing a listing of all antimicrobials approved for use in food animals;

- Prepared a draft risk assessment to assess the link between the use of Virginiamycin in animals and Synercid resistance in humans and released it for public comment due back by February 23, 2005;

- Created animated video that depicts the ways bacteria typically acquire resistance to antimicrobial drugs to advance understanding to key audiences, particularly veterinary students and livestock producers;

- Continued to review previously approved new animal antimicrobial drug submissions with respect to antimicrobial resistance and human food safety;

- Completed the review of the penicillin approvals for microbiological food safety concerns and discussed findings and recommended actions with the drug sponsors;

- Supported an advanced WHO training course on the surveillance of Salmonella and antimicrobial resistance in food borne pathogens; and,

- Participated in the cooperative agreement with four sites in Mexico to determine the prevalence of Salmonella species and quinolone-resistant E.coli from symptomatic and asymptomatic humans.

National Antimicrobial Resistance Monitoring System (NARMS)

- Continued expanding the retail meat arm of NARMS at FDA/CVM/Office of Research by having 10 FoodNet sites collect samples from local grocery stores and submit the isolates to the CVM/OR for antimicrobial susceptibility testing to obtain a more representative picture of the contribution of the food supply to antimicrobial resistance and helps sponsor with their submissions to CVM under GFI #152;

- Continued to improve NARMS methods including development of a Campylobacter broth microdilution method approved by the National Committee for Clinical Laboratory Standards Veterinary Antimicrobial Susceptibility Testing;

- Completed the first annual NARMS retail meat report on September 30, 2004, which can be found on CVM's website. This report provides data on the prevalence of antimicrobial resistant foodborne pathogens and commensal bacterial among retail meat and poultry samples;

- Enhanced the robustness of the NARMS retail meat arm by training personnel in state public health labs in isolation and testing methodologies. The retail meat arm was expanded from 6 labs in FY 2002 to 10 in FY 2004;
- Screened animal feeds and animal feed components for the presences of resistant pathogens including Salmonella, E. coli and Enterococcus;

- Conducted numerous presentations on NARMS at national and international scientific meetings; and,

- Completed total revision of the NARMS web page with the addition of NARMS peer-reviewed publications and FDA Veterinarian articles.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

Counterterrorism

- Participated with Agencies and other sectors in coordinating:
  - Food and Agriculture, Critical Infrastructure Protection Sector –Wide Meetings;
  - Foot and Mouth Disease Dairy Research Working Group;
  - White House Agroterrorism Blue Ribbon Panel;
  - Development and testing of emergency response plans for chemical, biological, and radiological incidents;

- Assisted in publication and education outreach efforts for the Bioterrorism Act of 1992 covering Registration, Prior Notice, Automatic Detention, and Record Keeping Rules;

- Evaluated rapid laboratory methods to permit analysis of feedstuffs for microbiological hazards, and comparing these methods to existing cultural methods;

- Collaborated with other government agencies on the development of a list of priority products for countermeasures which will be used in assembling a National Strategic Veterinary Stockpile;

- Responded to Homeland Security Presidential Directives (HSPD)-7 and -9 by drafting and submitting the Animal Feeds portion of the National Infrastructure Protection Plan which is a part of DHS National Critical Infrastructure Protection Program, as

well as, working on methods that will integrate surveillance systems to quickly detect emerging diseases, pests, toxic substances, and radioactive agents that threaten agriculture and the food supply; and,

- Performed initial vulnerability assessments of animal feeds.

IMPROVING FDA'S BUSINESS PRACTICES

Under this strategic goal, the Program supports the FDA's efforts to strengthen its infrastructure, enhance employee performance, and take other steps to build a high functioning organization. Some of the accomplishments include:

- Implemented CVM's Activity Time Reporting System center-wide with the 1st pay period of FY 2004. The system was developed and designed to be a user friendly integrated system dedicated to supporting the Center's Activity Based Management goals and contributing to improved program planning/prioritization, and budget and performance integration and management. Data from the system was utilized to support ADUFA financial implementation and supports the tracking of allowable ADUFA costs by activity. The Agency is developing a plan to leverage these activities agency-wide;

- Implemented Strategic Human Capital Management – Used the Staff College Competency Model in the recruiting and interview process to ensure identification and selection of the best-qualified candidates for the hiring of the new animal drug reviewers to meet the workload increase with the initiation of the ADUFA;

- Continued to develop and expand the CVM Staff College that was established in FY 2002 through a state-of-the-art Knowledge Management Center providing the framework to support the development and delivery of a robust scientific, management, leadership, and team building curriculum based upon researched and established core competencies necessary for high performance in specific positions and functional areas;

- Implemented the mandatory EEO and Diversity Management Training Program for all managers and supervisors;

- Continued to enhance IT management consistent with the President's expanded E-government initiative;

- Supported the implementation of the FDA IT Director's Migration Plan that moved the Agency IT managers and staff into the Agency's Office of the Chief Information Officer; and,

- Reduced and redistributed the administrative workload and consolidated functions and tasks that are required in the organizational area to exceed its 2004 targeted administrative position reductions as directed by the Agency.

Animal Drugs and Feeds
Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS 1/	FY 2004 Actuals	FY 2005 Estimates	FY 2006 Estimates
New Animal Drug Applications (NADAs):[2]			
Received	15	23	23
Completed	23	23	23
Approved	18	18	18
Pending[3]	3	3	3
New Animal Drug Application Supplements: [2] [4]			
Received	408	408	408
Completed	476	476	476
Approved	356	356	356
Pending [3]	156	88	20
Abbreviated New Animal Drug Applications (ANADAs):[2]			
Received	61	61	61
Completed	55	61	61
Approved	19	19	19
Pending [3]	47	47	47
Abbreviated New Animal Drug Application Supplements: [2] [4]			
Received	211	241	241
Completed	195	220	220
Approved	163	183	183
Pending [3]	78	99	120
Investigational New Animal Drug (INAD) Files: [5]			
Received	2,138	2,138	2,138
Completed	2,200	2,200	2,200
Pending [3]	264	202	140

1 CVM has implemented a user fee program in FY 2004. Outputs are not expected to increase substantially until new reviewers are hired and fully trained. Performance estimates are dependent upon a sustained level of base and user fee resources. The FY 2005-2006 estimates do not include invited labeling change supplement applications because it is not possible to accurately project sponsor or CVM requests for this type of application.

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

[3] Reflects submissions (received during the fiscal year) which still require review.

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

[5] An INAD or JINAD file is established at the request of the sponsor to archive all sponsor submissions for a phased drug review including: request for interstate shipment of an unapproved drug for study, protocols, technical sections, data sets, meeting requests, memos of conference and other information.

Animal Drugs and Feeds
Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS 1/	FY 2004 Actuals	FY 2005 Estimates	FY 2006 Estimates
Generic Investigational New Animal Drug (JINAD) Files: 5			
Received	170	170	170
Completed	130	170	170
Pending 3	66	66	66
Investigational Food Additive Petitions	34	40	40
Food (Animal) Additive Petitions[6]	12	20	20
Production & Manufacturing Defect Reports----Received	401*	2,000	2,000
----Reviewed	1,769	1,700	1,700
Adverse Experience Reports (AERs)----------Received	28,424	27,000	27,000
----------Reviewed	18,625	18,000	18,000
Animal/Medicated Feed Partnership Agreements	27	30	30

*The FY 04 actual is lower than the FY 04 estimate because most product defects reported in the previous period were related to the use of a single product. The sponsor fixed the problem and the reports are lower. The FY 05 & FY 06 estimates of 2000 product defect reports a year reflect what CVM historically receives a year.

[6] Non-drug substances added to animal feed are considered Food Additive Petitions and require review and approval.

Animal Drugs and Feeds
Program Activity Data

ADUFA Performance Cohort*	**FY 2004**		
Application/Submission Type:	Goal: Review & Act On	# Reviewed & Acted On	Perf. As of 9/30/04
New Animal Drug Applications (NADAs)			
NADAs & reactivations	90% w/in 295 days	5	100%
Administrative NADAs & reactivations**	90% w/in 90 days	8	100%
New Animal Drug Application Supplements & Reactivations*			
Non-manufacturing**** *(Safety & Efficacy)*	90% w/in 320 days	8	100%
Manufacturing	90% w/in 225 days	230	100%
Investigational New Animal Drug (INAD) File Submissions			
Data *(Studies)*	90% w/in 320 days	107	100%
Protocols	90% w/in 125 days	147	100%

This chart reflects information provided in the FY 2004 ADUFA Performance Report.

*All FDA review performance statistics are based on fiscal year receipt cohort. This methodology calculates performance statistics for submissions for the fiscal year FDA received them, regardless of when FDA ultimately acted on or approved the submissions. A consequence of this approach is that the statistics shown for a particular year may change from one report to the next. This is because as time passes, FDA completes work on more and more submissions in a receipt cohort. As more submissions are completed, the statistics for that year of receipt must be adjusted to reflect the new completions. Until all submissions in a cohort are completed, only a preliminary performance assessment can be provided for that cohort. With the exception of this report, where only information for the first reporting year (FY 2004) is available, FDA will report, in subsequent years on two performance years for ADUFA performance. Starting with the FY 2005 report, the status of the current year and an update on the previous year will be included.

**Administrative includes both original and supplemental applications, including their reactivations.

***Certain supplements are excluded, such as sponsor changes, minor changes to labeling, requests to withdraw and trade name changes, not involving safety and/or effectiveness data.

****Non-Manufacturing hybrids are included. A "supplemental animal drug application" is: a supplement, manufacturing or non-manufacturing, to an application approved under section 512(c)(1) of the act (21 U.S.C. 360b(c)(1)) (i.e., a supplement to an NADA), regardless of whether data with respect to safety or effectiveness are required for approval; *or* a supplement, manufacturing or non-manufacturing, to an application approved under section 512(c)(2) of the act (21 U.S.C. 360b(c)(2)) (i.e., a supplement to an ANADA), provided that data with respect to safety or effectiveness are required for the supplement to be approved.

PERFORMANCE GOAL AND TARGET

The following table of performance goal and FY 2006 target is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goal	Target
Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA Performance goals. This goal is dependent upon a sustained level of base and user fee resources. (14020)	FY 06: Complete review and action on 90% of original NADAs & reactivations of such applications received in FY 2006 within 230 days.

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CENTER FOR DEVICES AND RADIOLOGICAL HEALTH (CDRH)

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate [2/]	Increase or Decrease
Program Level	**$179,245,000**	**$206,208,000**	**$213,363,000**	**+$7,155,000**
Total FTE	*1,061*	*1,187*	*1,170*	*-17*
Budget Authority	**$156,961,000**	**$180,948,000**	**$183,054,000**	**+$2,106,000**
Medical Device Review	*$140,646,000*	*$163,246,000*	*$165,042,000*	*+$1,796,000*
GSA Rent & Rent Related	*$16,315,000*	*$17,702,000*	*$18,012,000*	*+$310,000*
Total FTE	935	*1,003*	*986*	*-17*
User Fees	**$22,284,000**	**$25,260,000**	**$30,309,000**	**+$5,049,000**
MDUFMA	*$18,245,000*	*$20,086,000*	*$24,972,000*	*+$4,886,000*
MQSA	*$4,039,000*	*$5,174,000*	*$5,337,000*	*+$163,000*
Total FTE	*126*	*184*	*184*	-

For Information Only

ORA Estimate	**$67,010,000**	**$70,958,000**	**$75,925,000**	**+$4,967,000**
Budget Authority	*$57,939,000*	*$58,701,000*	*$63,354,000*	*+$4,653,000*
FTE	*441*	*400*	*392*	*-8*
User Fees	*$9,071,000*	*$12,257,000*	*$12,571,000*	*+$314*
FTE	*13*	*24*	*24*	*0*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.

[1/]Contains budget authority rescission of 0.8 percent.

[2/] The FY 2006 budget authority lines without GSA or Other Rent and Rent Related Activities for CDRH and its related ORA Field activities total $220,961,000 which meets the second trigger required under the MDUFMA legislation.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$136,385,000	$131,466,000	$4,919,000	997
2003 Actual	$217,285,000	$140,429,000	$14,677,000	1,003
2004 Actual	$179,245,000	$156,961,000	$22,284,000	1,061
2005 Enacted	$206,208,000	$180,948,000	$25,260,000	1,187
2006 Estimate	$213,363,000	$183,054,000	$30,309,000	1,170

Note: Does not contain GSA Rent or Other Rent and Rent Related Activities.

1/Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET REQUEST

The Center for Devices and Radiological Health is requesting $213,363,000 in program level resources for accomplishing its mission activities including:

- Promote and protect the health of the public by ensuring the safety and effectiveness of medical devices and the safety of radiological products;
- Meet all statutory responsibilities for review of new medical devices;
- Assure medical product safety by monitoring the use of all medical devices, and the function and use of radiological health;
- Manage emerging hazards to prevent widespread health and safety threats and ensure safe and effective new technologies;
- Apply the Total Product Life Cycle model across the range of Devices and Radiological Health activities, by covering products from concept to obsolescence;
- Connect to the global public health community, and partner with stakeholders;
- Use science in the regulatory process to the maximum extent;
- Attract and retain a diverse and high quality workforce; and,
- Measure and set targets to maximize the program's impact on public health.

PROGRAM DESCRIPTION

CDRH regulates a wide array of medical devices, from artificial hearts, pacemakers, and drug-coated stents to deep brain stimulators and spinal implants; from dialysis machines and infusion pumps to intraocular lenses and cochlear implants; from robotic surgery devices and stair-climbing wheelchairs to *in vitro* diagnostic devices, radiologic devices and many others. To keep pace with the rapid development of new technology, and to make decisions based on the best scientific information and knowledge available, CDRH routinely consults with experts in the academic community, other government entities, clinical practice, and the military. CDRH also supports initiatives to improve the Nation's ability to respond to bioterrorism and public health challenges. Many of these counterterrorism activities include expediting review of bioterrorism diagnostics, managing product shortages, supporting safe and effective development and use of battlefield and emergency devices, ensuring safe use of people scanners in airports and other security systems, and assessing radiation products for misuse as weapons.

ORA supports CDRH by conducting preapproval inspections of both foreign and domestic establishments and other premarket-related activities such as: bioresearch monitoring of clinical research, preapproval inspections and laboratory method validations needed for premarket application decisions, and inspections of manufacturing facilities to determine if the factory is able to manufacture the product to the specifications stated in the application. The Field conducts

risk-based domestic and foreign postmarket inspections of medical device manufacturers to assess their compliance with Good Manufacturing Practice requirements, and conducts inspections of reprocessors of single-use devices. ORA also monitors imported medical devices and radiological products through field examinations or sampling, as needed, to ensure the safety of such products.

In addition to overseeing regulated products on a surveillance or "for cause" basis when a problem is encountered, ORA staff also responds to emergencies and investigates incidents of product tampering and terrorist events or natural disasters that may impact FDA regulated goods. To complement the regular field force, the Office of Criminal Investigations investigates instances of criminal activity in FDA regulated industries. In FY 2006, ORA will expend an estimated $75,925,000 in budget authority and user fees to support of the Devices and Radiological Health Program.

PERFORMANCE ANALYSIS

During the latest completed performance period, (FY 2004), CDRH met four of its performance targets, and expects to meet the remaining three when the data becomes available in June FY 2006. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

The Food & Drug Administration Moderization Act of 1997 gives FDA the mandate to replace universal user facility reporting with the Medical Product Surveillance Network (MedSun) that is composed of a network of user facilities that constitute a representative profile of user reports. FDA estimates that there may be as many as 300,000 injuries and deaths annually associated with device use and misuse.

FDA surpassed by 200 percent its long-term outcome goal of expanding patient surveillance by 50 percent by 2008, through increasing the number of patients covered from 17 million to 53 million this year, which will allow for more rapid identification and analysis of adverse events. MedSun is a critical component towards achieving this long-term outcome goal.

Performance Highlight:

Goal Target	Context	Results
Expand implementation of MedSun to a network of 240 facilities (FY 2004 target)	When fully implemented, MedSun will reduce device-related medical errors; serve as an advanced warning system; and create a two-way communication channel between FDA and the user-facility community.	FDA recruited, trained and have functioning 299 facilities for the network

RATIONALE FOR BUDGET REQUEST

This request, for Budget Authority and User Fees, supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goals.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to the Congress, place the accountability for rental costs within the operating program, and to better reflect the total cost of each program, this budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into program level requests.

Office of Regulatory Affairs Estimate and Structure Change

This budget also establishes a single budget line item for the Office of Regulatory Affairs (ORA). To help the field program provide services more effectively, especially by providing much needed flexibility to respond shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

Medical Device Review + $1,796,000 and + 3 FTE

This $1.796 million requested increase in appropriations for CDRH, along with the $4.2 million requested under our Field program, will provide the resources needed to allow FDA to reach the required appropriation level for FY 2006 under the Medical Device User Fee and Modernization Act (MDUFMA). MDUFMA specifies a minimum amount of budget authority that must be provided each year in the Device and Radiological Health line of FDA's appropriation.

FDA's budget has undergone a structure change since the passage of MDUFMA and the Device and Radiological Health line of FDA's appropriation is equivalent to the Center for Devices and Radiological Health (without GSA Rent) plus the Devices and Radiological Health Estimate under the Office of Regulatory Affairs. The minimum amount is the FY 2003 base appropriation of $205,720,000, times the adjustment factor for FY 2006 [1/]. This would yield a minimum that must be appropriated for the Devices and Radiological Products Program for FY 2006 of $220,823,000 plus the $138,000 needed in makeup funds from FY 2005 for a total FY 2006 request of $220,961,000 for the Devices and Radiological Health Program.

[1/] FDA estimates that adjustment factor for FY 2006 is 1.0734 percent, which is the April FY 2005 estimated CPI/U from the economic assumptions for the FY 2006 Budget divided by the CPI/U from April 2002 (179.8).

This increase in budget authority, coupled with the user fee funds collected for the review of medical device applications, will enable FDA to meet the aggressive Premarket performance goals committed to under the legislation. This increase will help cover the pay increases to maintain the current level of reviewers for the medical device review program.

GSA Rent + $310,000

To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested, of which $310,000 is for the Center for Devices and Radiological Health. This increase will help cover inflation on FDA's current GSA leased facilities.

User Fees

Medical Device User Fee and Modernization Act (MDUFMA): + $4,886,000 and 6 FTE

The FY 2006 request for the Devices and Radiological Health program meets the required trigger in the Devices and Radiological Health Program, enabling FDA to collect the MDUFMA user fees that supplement the appropriated portion of the medical device review program. The Agency will be able to continue its efforts to improve the quality and timeliness of the medical review process and promote the delivery of new technologies to the public. The MDUFMA User Fees it collects will allow FDA to continue to:

- Promote public health though major improvements in the review of expedited submissions for medical devices;

- Meet MDUFMA's performance goals and achieve the other prescribed improvements by MDUFMA;

- Provide information system improvements and modernization for the device tracking systems, Image system, other essential systems; and,

- Provide training and professional development for employees and contract with outside experts to ensure that FDA keeps pace with technological change and medical advancements.

Mammography Quality Standards (MQSA): + $163,000 and -6 FTE

Breast cancer is the most commonly diagnosed cancer and the second leading cause of cancer deaths among American women. Experts estimate that one in eight American women will contract breast cancer during their lifetime. The MQSA, which was reauthorized in October 2004, addresses the public health need for safe and reliable mammography. The Act required that mammography facilities be certified by October 1994, and inspected annually to ensure compliance with national quality and safety standards. The reauthorization codified existing certification practices for mammography facilities and laid the groundwork for further study of key issues that include ways to improve physicians' ability to read mammograms and ways to recruit and retain skilled professionals to provide quality mammograms. The increase of $163,000 will cover inflation.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES

FDA will use science-based risk management in all Agency regulatory activities so that it can provide the most health promotion and protection at the least cost for the public. Efficient risk management efforts for FDA's medical device program are detailed below.

Medical Device Review

Premarket applications for medical devices intended for human use are required to be processed within statutorily required time frames. These processes support the Department's priorities to accelerate private sector development of medical technology. In addition, MDUFMA commits FDA to significant improvements in device review performance. The industry is relying on FDA to take a leadership role in regulating a rapidly emerging frontier of medical device technology with timeliness, quality, scientific consistency, and international harmonization. With the enactment of MDUFMA, FDA plans to:

- Review premarket application and focus resources on breakthrough medical device products intended for human use;
- Work with industry and other stakeholders to develop best practice documents and policy and guidance documents to make premarket applications more consistent and complete, and to reduce multi-cycle reviews;
- Maintain FDA's small business assistance program as required by the FD&C Act;
- Improve the feedback of post-approval data to premarket reviewers in order to improve the quality and timeliness of premarket reviews;

TPLC – Glucose Monitors

CDRH conducted a comprehensive postmarket literature review to determine the public health impact of new *in vitro* diagnostic (IVD) technology on home glucose monitoring. Focusing on a minimally invasive glucose biosensor that continuously tracks glucose levels without painful finger-stick testing, CDRH was able to determine promising positive trends in diabetic management based on this new device. It also identified some weaknesses in the device clinical trials. FDA is using this information to improve future premarket regulatory reviews and to better understand the strengths and weaknesses of research evaluation in the area of IVDs.

The device's initial market approval was notable for its incorporation of the Center's Total Product Life Cycle (TPLC) goal, use of inter-Office shared hires to complete the expedited PMA review, and support for the Diabetes, Obesity and Cardiovascular Disease Health Initiative.

- Foster education of the workforce on risk management, assessment and communication;
- Incorporate epidemiology expertise into post-approval investigations; and,

- Use postmarket communication to mitigate risk from medical device problems, as has been done through notifications about endotoxin in equipment and devices used in LASIK, preventable paralysis from inappropriate use of absorbable hemostasis devices, and test results on counterfeit surgical mesh.

Third Party Review Program

Third Party 510(k) Reviews are consistent with FDAMA's intent to encourage the use of outside scientific and technical expertise and provide an alternative to FDA review. In addition to being faster than reviews performed exclusively by FDA staff, this option can give manufacturers access to specialized expertise by third parties in areas such as device testing, standards, and foreign regulatory requirements. FDA plans to:

- Encourage industry's use of third party reviews. Sixty-five percent of all 510(k)s are eligible for third party review, but only six percent are submitted through this program. In 2004, the number of 510(k) submissions using the third party review program increased by 34 percent over the prior year;
- Maintain FDA's third party web site that provides information on the Accredited Persons Program;
- Maintain the Third Party Review Board to advise and assess new applicants, reassess existing Accredited Persons, and monitor FDA's periodic auditing of their work.
- Encourage ongoing training for third parties to ensure consistency and quality of their reviews; and,
- Evaluate the amount of agency resources that go into training, reviewing, and interacting with third parties.

Inspections by Accredited Persons

MDUFMA authorizes FDA to accredit third persons (Accredited Persons) to conduct inspections of eligible manufacturers of Class II and Class III medical devices. These Inspections will be conducted independent of third party inspections performed under the current US/EC Mutual Recognition Agreement. FDA has completed or planned:

- Train the Accredited Persons. Approximately 48 representatives from 14 accredited establishments attended an FDA training program in January 2004. Individual training inspections have been and are continuing to be conducted with FDA Performance Auditors after the classroom requirements were met. Accredited Persons will then be ready to conduct independent inspections of FDA regulated establishments. FDA continues to accept and review applications from establishments wishing to be certified as an Accredited Person. FDA sponsored classroom training will continue to be planned as new firms are accepted into the program.

- FDA published draft guidance for establishments to participate in the Accredited Persons program. FDA expects to have this program fully operational in FY 2005. FDA will not be able to estimate the impact of this new program on future inspection coverage until the Accredited Persons have performed independent inspections.

Human Subject Protection

One of the Department's strategic goals is to enhance the capacity and productivity of the Nation's health science research enterprise by strengthening the mechanisms for ensuring the protection of human subjects and the integrity of the research process. An effective, comprehensive Bioresearch Monitoring program is essential for the expeditious development and approval of safe and effective products and to ensure research subject safety.

The Agency continues to leverage scientific capabilities in order to respond and contribute to major breakthroughs in medical device research and technology via continued professional development/ training, and continued stakeholder collaborations. Some of the new high-risk technologies under active human subject research include: implantable cardiac defibrillators, in vitro diagnostic devices that help detect/identify biothreat agents, an artificial heart, and new models of drug-eluting stents. The human subject protection program plans to:

- Ensure follow-up to bona fide complaints of research misconduct that may compromise the safety of human research subjects or subvert regulatory review;
- Enhance the quality and integrity of investigational device research by working with non-compliant firms to develop corrective and preventative actions to improve their human subject protection or research integrity systems;
- Educate the device research community; and,
- Provide professional development opportunities for Agency staff to help them keep pace with clinical research in evolving and breakthrough device technologies.

Bovine Spongiform Encephalopathies (BSE)/Transmissible Spongiform Encephalopathies (TSE)

BSE, widely known as "Mad Cow Disease," is a deadly chronic, degenerative disorder affecting the central nervous system. TSE includes a group of related human and animal diseases for which there are no treatment or preventive vaccines and are fatal to humans and animals. FDA plans to:

- Maintain current Field Investigator's Guidance for Manufacturing Facilities. The current scientific understanding of TSEs and their potential risks are changing rapidly. Resources are needed for educational activities and document revision as our understanding changes to keep the guidance documents and field investigations scientifically accurate;
- Maintain a device tracking/animal materials data base for identifying/tracking devices containing or manufactured from animal-derived source material;
- Examine ways to prevent the transmission of TSE-related diseases during the use and reuse of medical instruments.
- Evaluate decontamination procedures for device manufacturing processes, including equipment and facilities, and for medical instruments; and hold public workshops to engage all interested parties in addressing the issue of decontamination.

International Activities

The increase in device imports and the difficulty in inspecting the majority of foreign medical device establishments have made full implementation of the U.S./European Community (EC) Mutual Recognition Agreement (MRA) a necessity. A successful MRA will help reduce the number of foreign firms FDA staff needs to inspect, while relying on FDA inspections conducted by listed European Unions (EU) Conformity Assessment Bodies (CABS). FDA plans to:

- Implement a pilot program to assess the feasibility of using an internationally harmonized format in the review of submissions for device safety and performance;
- Develop and maintain information about EU-based medical device manufacturers and provide more information about the status of those manufacturers to help expedite product approval;
- Develop a mechanism for recognizing symbols for use in In Vitro Diagnostic Labeling to allow for harmonization of package inserts;
- Continue FDA's participation as a member of the Global Harmonization Task Force.

Genetic Testing

The vast majority of genetic tests are currently not regulated by FDA. The Secretary's Advisory Committee on Genetics Testing recommended increased oversight of genetic testing. FDA participates with the CDC and other agencies to:

- Develop scientific expertise and regulatory strategies for evolving medical device areas such as genetic testing;
- Collaborate with other DHHS agencies as part of an inter-agency working group and as a participant with the CDC on genetics testing; and,
- Participate in the activities of the Secretary's Advisory Committee on Genetics, Health, and Society.

Clinical Laboratory Improvement Amendments (CLIA)

This activity is funded by a portion of the CLIA user fees collected by the Centers for Medicare and Medicaid Services. FDA collaborates with CMS to:

- Categorize commercially marketed in vitro diagnostic test systems; and,
- Determine which in vitro diagnostic test systems can be placed in the waived category under CLIA.

Information Technology

FDA will develop or maintain IT systems that support the premarket review process and postmarket activities:

- eRadHealth: This system will allow manufacturers to submit radiation documentation in electronic format, provide risk management prioritization of data, provide trend analyses, and allow data sharing with states and the public. It will permit more efficient use of FDA resources and industry-wide corrections of product safety problems;

- eMAUDE: Develop an electronic adverse event reporting system for medical device manufacturers. This will automate the review, analysis and management of the reports received each year from the manufacturers and will permit more efficient use of FDA resources while providing FDA, health care professionals and consumers and other state and Federal agencies with the information necessary to make faster and more thorough risk management decisions;

- *eRoom:* eRoom, to be developed for internal use, provides an easy way to review draft documents and provide comments in real time. It allows staff to find precedent setting documents for policy issues, including internal discussions leading to the decisions, along with the final correspondence that goes to industry stating the policy. eRoom allows staff to search electronically for documents from the same manufacturer, the same device type, by year, and by other topics.

- *Image2000 Document Management System:* This request will support development of the Image2000 Document Management System, which assists in premarket review and related document-management activities such as archiving and FOI redaction. When fully operational, Image2000 will replace the in-house system, developed in 1991, with state-of-the-art technology, which is vital to the Center's premarket review mission.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Information Technology

CDRH uses innovative information technology to communicate important health messages to consumers. FDA plans to:

- Continue publishing the "FDA & You" electronic newsletter to reach the secondary schools and health education populations; and,

- Maintain the Mammography Program Reporting and Information System, which improves the quality, reliability, integrity, and accessibility of facility certification, inspection, and compliance data. The system also tracks and monitors the accreditation, certification, inspection, and compliance history of facilities. Facility certification information is available to consumers on the mammography website.

PATIENT AND CONSUMER PROTECTION

Another important function of FDA is to identify risks associated with the use of medical products and reduce the occurrence of adverse events. The enhancement of the adverse events data monitoring system and linkages with other health care systems is the first line of defense against medical errors. The following activities support the Department's initiative to improve the quality of health care services:

- Maintain the MedSun network, which is a postmarket surveillance system designed to reduce device-related medical errors by the dissemination of safety information. MedSun also serves as an advance warning system and creates a two way communication channel between FDA and its system participants. The system will be maintained by replacing those facilities that choose to rotate out of the system with new MedSun sites;

- Continue the lab-reporting project to target surveillance, initially piloted in FY 2003 and 2004. This expansion of the lab-reporting project will allow FDA to evaluate procedures for collecting data on problems with laboratory tests and the feasibility of including hospital laboratory staff;

- Maintain technical distribution capabilities to allow the content of "FDA Patient Safety News" to be readily available as a teaching tool. FDA PSN is an Agency-wide monthly television news show that brings vital information on how to improve the safety of drugs, devices, vaccines, and diagnostic products to physicians, nurses, pharmacists, risk managers and educators across the nation. Preliminary results from a recent survey of practitioners who view FDA PSN indicate that 94 percent of respondents used the program's safety recommendations "frequently" (42 percent) or "occasionally" (52 percent);

- Expand the Home Health Care Initiative that addresses medical devices used at home, which will allow for increased knowledge by health care practitioners, consumers, and patients to better understand how medical devices can be safely used outside the clinical environment, which has become a growing trend. Many of the devices were never intended to be used outside the hospital or by lay users;

- Provide human factors risk analysis in premarket and postmarket decision-making to enhance the identification of risks associated with the use of medical products and to reduce the occurrence of adverse events related to use error;

- Provide technical assistance to small medical device manufacturers and provide accessible feedback to industry, health professionals, and consumers. This assistance is provided via Device Advice—the CDRH self-service website for medical device and radiation emitting information—and Comments and Feedback;

- Partner with other Federal agencies, states and private-sector organizations to develop and communicate information that will encourage safe use of medical devices;

- Provide consumers with current and reliable information on radiation emitting electronic products and maintain the Whole Body Computer Technology Scanning website;

- Conduct applied epidemiological research using a variety of methods and databases and provide consultative services to the Agency on issues requiring epidemiological expertise, from systematic reviews of the literature to risk assessments to the design and conduct of observational studies; and,

- Provide guidance to industry on the Alternative Summary Reporting program to ease industry's reporting burden for device-based adverse events that are well known and well documented. By submitting the reports on a quarterly basis in a line-item fashion, industry is relieved of the individual reporting burden; yet the agency can continue to monitor these adverse events on an aggregate basis.

Diabetes, Obesity and Cardiovascular Disease

FDA actively participates in Administration and Department initiatives directed at improving the public health. The efforts will increase the independence and quality of life of persons with disabilities and long-term care needs. FDA plans to:

- Explore whether more effective but "least burdensome" regulatory mechanisms can be put into place for diabetes devices to assist industry in bringing to market new devices to test, monitor, and administer medications for the management and treatment of diabetes;

- Maintain FDA's Diabetes Information website that provides detailed consumer information about the products that FDA regulates to diagnose and treat diabetes, with links to additional diabetic information. The Diabetes Information website receives approximately 4,000 visits a month;

- Monitor the use and safety of new weight loss technologies through targeted postmarket plans and partnering with NIH and other collaborators in post-approval research and information dissemination;

- Partner with the diagnostics industry, health professionals, and diabetics to assure that safe and effective diagnostics are available that are more accurate, less invasive and easier for patients to use;

- Maintain FDA's Heart Health Online website that provides consumer information about the products FDA uses to diagnose, prevent, and treat cardiovascular disease, with links to additional cardiovascular information. This site was selected as one of the Biomaterials Network (Biomat.net) top 5 internet sites, based on general quality, scientific value, and suitability to internet browsing and,

- Partner with sponsors on new, promising, investigational weight loss devices, which support the Secretary's goal to reduce the almost 300,000 U.S. deaths a year associated with obesity and overweight.

Science and Standards

Standards address aspects of safety and/or effectiveness relevant to medical devices. FDA will:

- Promote the use of standards for manufacturing safer and more effective medical products and to speed review and enhance the quality of regulatory decision making. In FY 2003, FDA recognized 25 new standards for a cumulative total of 618; and,

- Develop improved methods to evaluate emerging imaging technologies to allow the sorting out of the differences between old and new imaging technologies from the large variations among patients and among radiologists or mammographers. Critical features of the new CDRH-developed methodology are that it requires no assumptions of data normality data and identifies all sources of variability in present data, which allows study designers to optimally allocate the scarce resources of patients and radiologists in subsequent clinical studies.

MQSA

The MQSA program is directed to the certification of mammography facilities and to annual inspections to ensure that they remain in compliance with established quality standards. FDA plans to:

- Certify new mammography facilities and recertify one third of the approximately 9,100 existing facilities;

- Analyze and act on inspection results to ensure compliance with quality standards;

- Update and maintain data systems to monitor facility accreditation, certification and compliance status; and,

- Fund annual MQSA inspections. Approximately 9 percent of mammography facilities deemed to be governmental entities are funded through budget authority. The other 91 percent of the annual facility inspections are funded through user fees.

MQSA Consumer Outreach

When a Florida mammography facility refused to notify their patients and their referring physicians about a serious risk to human health at its facility, FDA was faced with the challenge of getting the word out to the affected parties in a timely and cost effective manner. With no ability to get access to the patient names and addresses, CDRH staffers worked with other components within FDA to issue a talk paper about the serious situation. On August 23, 2004, the talk paper was posted on the FDA website in English and Spanish. The story was then picked up by a local newspaper and radio station as well as national news media including the Associated Press.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

FDA continues to monitor, evaluate, and follow up on the public health needs of new medical devices or their use in counterterrorism preparedness and response to regulate them in a manner that best serves the public health. These activities support the Department's goals to enhance the ability of the Nation's health care system to effectively respond to bioterrorism and public health challenges. FDA plans to:

- Evaluate the safety and effectiveness of diagnostic test kits that detect biothreat agents as well as other diagnostic and therapeutic devices being developed to address such threats, and evaluate the performance of diagnostic test kits that detect warfare agents being marketed to the public and the government;

- Predict and manage potential device shortages to ensure there are enough critical, commonly used devices, such as rubber gloves, to aid in rescue efforts, and develop mechanisms to use FDA's medical material shortage experts to assist in acquisition of limited critical medical countermeasures during a terrorist event;

- Develop field expertise to sample for contamination of high-risk products such as rubber gloves or surgical masks, and develop test methods for the DOD to test emergency devices for safe use on the battlefield and in civilian emergency care;

- Expand technical assistance to industry and DOD, expedite review, and expand outreach to civilian emergency medical professionals to give them more information about new devices in their field;

- Participate in the development and recognition of standards developed by other agencies such as the CDC, and DOD and outside organizations for use in reviewing and defining performance for test kits;

- Assess the in vitro diagnostic market to determine the number and type of test kits targeted to detect counter terrorism activity that are being marketed to the public and government. This will provide FDA with the capability to identify manufacturers that promote diagnostic devices, to monitor their activities and to act appropriately when unsafe practices are detected; and,

- Maintain Continuity of Operations emergency response plans and emergency response training, in conjunction with HHS and FDA, to identify the essential functions that need to be maintained to monitor and respond to a terrorist event or emergency situation.

Radiological Counterterrorism and Radiation Safety

FDA continues to monitor and assess radiation-emitting products for misuse as weapons, for safe use in deterrence and detection activities, and for the safe use and availability of new and existing radiological products. FDA plans to:

- Continue implementation of the FDA Emergency Counterterrorism Preparedness and Response Plan for radiation;

- Assist the Transportation Security Administration, Customs, and the National Institute for Occupational Safety and Health to assure worker safety during use of non-intrusive search products which emit x-rays and the use of x-ray cargo screening and electromagnetic screening products;

- Conduct field surveillance of x-ray security screening products subject to the FDA cabinet x-ray standard;

- Develop an electronic reporting system to reduce industry reporting time and FDA review time, and provide sufficient radiation data on security products and potential weapons to assure safety of workers and the public and to respond quickly in a terrorist event;

- Develop a mandatory standard for x-ray personnel security screening equipment based on the voluntary standard prepared by FDA, State and industry representatives;

- Develop a radiation safety consensus standard for cargo screening and other new non-intrusive search products that emit x-rays, neutrons or gamma rays;

- Identify safer tanning techniques. FDA's optical radiation laboratory is conducting a human study entitled "Optimization of UV Exposure Patterns" in order to gather data to support a reduction in exposure of the public from artificial tanning devices. This data will be used to modify the present FDA and ISO standards for sunlamp products;

- Coordinate with the Nuclear Regulatory Commission on laser safety of power plant security and all emergency preparedness exercises;

- Continue to evaluate the vulnerability of electronic medical implants to new security scanners, and assist in drafting a national safety standard for security screening devices. This work is being adopted by the FAA in deciding the purchases of walk through metal detectors at all of the nation's airports;

- Encourage discussion among Federal agencies with radiation control responsibilities, through the Interagency Steering Committee on Radiation Standards, to develop consistent policies on appropriate use of security products that may expose the public to ionizing radiation;

- Encourage private sector development of radiation measurement instruments to facilitate radiation testing of security screening and non-intrusive search products; and,

- Prioritize and leverage FDA's radiation protection efforts with state governments, professional societies, and other Federal agencies.

IMPROVING FDA'S BUSINESS PRACTICES

Build infrastructure, hire and train new staff, and take other steps to lay the groundwork for a strong FDA that ensures a world-class professional workforce, effective and efficient operations, and adequate resources to accomplish the Agency's mission. FDA plans to:

- Implement the goals accompanying MDUFMA that address FDA's need to build up its infrastructure to have a successful review program;
- Train new and current staff to ensure that FDA reviewers develop and maintain the skills necessary to understand and keep pace with technologies that are rapidly developing and becoming more complex;
- Provide leadership to industry in the development of innovative approaches for the evaluation of medical device safety and effectiveness;
- Prepare and disseminate information on how FDA will regulate emerging technologies, and to help support FDA's role in international harmonization on emerging technologies; and,
- Support the President's Management Agenda and competitive sourcing A-76 efforts by performing cost comparison studies for identified functions.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES
MUFMA IMPLEMENTATION

Medical Device User Fee and Modernization Act of 2002, P.L. 107-250
To provide more timely and cost-effective review of new medical devices, FDA has worked to implement, which allows FDA to collect user fees from companies that submit medical device applications. FDA uses these additional funds to hire more staff and develop better systems to support more effective and timely review. The law requires FDA to pursue a complex and comprehensive set of review goals. Each year brings additional goals that are more aggressive than the previous year. FDA must report on performance relative to the specified goals at the end of each year. In FY 04 CDRH met all the MDUFMA statutory deadlines and maintained or improved device review performance in areas not covered by official performance goals.

To facilitate our interactions with industry in the coming years, the agency has issued guidance documents on premarket approval applications, premarket assessment of pediatric medical devices, how FDA and industry actions on premarket notification (510(k)) submissions affect the agency's assessment, and use of validation data in 510(k) submissions for reprocessed single use devices. (See http://www.fda.gov/cdrh for the specific guidance documents.)

FDA also has committed to an ambitious long-term goal that is designed to reduce the average total time for marketing approval for medical devices. This goal has two targets, standard and expedited premarket applications. The target reduction for each is an average of 30 days, which is similar to priority approval for drugs and biologics. In FY 2004 FDA achieved that goal and more—a 33 day reduction in average approval time compared with the baseline of fiscal years 1999-2001.

- **MDUFMA FY 04 Documents, Notices and Reports** - In FY 04 CDRH developed twenty-three Federal Register notices and guidance documents relating to MDUFMA implementation, and published ~~a~~ six internal "Blue Book" memos to provide guidance to FDA staff. In addition, for FY 2004, four reports were due to Congress:
    - A one-time report to Congress on the "timeliness and effectiveness" of device reviews by centers other than CDRH.
    - Annual report to Congress on the Office created to coordinate and monitor the review of combination products - completed October 2003 for FY 2003.
    - Annual Financial Report to Congress – completed March 2004 for FY 2003.
    - Annual Performance Report to Congress – completed April 2004 for FY 2003.

  A complete listing is available at http://www.fda.gov/cdrh/mdufma/index.html.

- **FDA Completed Review of Reprocessed Single Use Devices** - In November 2004 FDA announced that it had completed its review of supplemental validation data submitted by firms that reprocess medical devices originally intended for single use only (SUDs). MDUFMA required that reprocessors of certain types of previously cleared reprocessed SUDs must submit supplemental data to the FDA. Supplemental cleaning, sterility, and functionality validation data were needed for FDA to review in order to determine if these

reprocessed devices should continue to be legally marketed. After a careful review of the submitted data, FDA determined that while many of the devices can continue to be legally marketed, a significant number can no longer be commercially distributed. Some 1,800 models of reprocessed single use devices required validation data under MDUFMA. (http://www.fda.gov/cdrh/Reuse/svs/index.html)

- **Scientific Expertise –** Fifty-six new employees were hired in FY 2004, bringing the total number of MDUFMA hires to 130, while the Medical Device Fellowship Program brought sixty-four new experts to FDA. These engineers, medical officers, statisticians, scientists, project managers, consumer safety officers, program support and administrative staff increased CDRH's scientific and technical capabilities.

- **Third Party Inspection Program** – During FY 2004, FDA:
  - Implemented the MDUFMA authority to accredit third parties to conduct inspections of eligible manufacturers of Class II and Class III medical devices. This authority will help FDA focus its limited resources on higher-risk inspections and give medical device firms that operate in global markets an opportunity to more efficiently schedule multiple inspections;
  - Issued guidance to implement the new authority and published criteria for Accredited Persons in the Federal Register; and,
  - Selected 15 third parties to participate in the program following the FDA review board's rating of Accredited Persons applications.

- **Annual Stakeholder Meeting -** The 2nd Annual Stakeholder Meeting on the Implementation of the MDUFMA Act of 2002 took place in November 2004. Participants from the medical device industry and FDA gathered to discuss the agency's progress in implementing the various MDUFMA provisions, including the guidance FDA has issued on the new law.

SCIENCE-BASE RISK MANAGEMENT

FDA used science-based risk management in all Agency regulatory activities to provide the most cost effective health promotion and protection for the public. Premarket review accomplishments exemplify those efforts.

***De Novo* Process**

- **Screening for Newborns -** FDA approved, through the *de novo* process, the first device available to screen newborn infants for inherited abnormalities of amino acids and for the presence of free carnitine and acylacarnitines, the NeoGram Amino Acids and Acylcarnitine Tandem Mass Spectrometry Kit. Babies born with these rare inherited abnormalities may have developmental delay, seizures, mental retardation and death, which may show up in the first weeks, months or years of life. The premarket review challenge for this device was the rare occurrence of many of the abnormalities and the lack of a predicate device to allow for its review as a 510(k) product. With literature, practice standards and public health laboratory experience support, the analytical features and selected clinical evaluation of the

device were used to establish performance. FDA then took advantage of the automatic reclassification of class III devices (the *de novo* process) to bring the product to market with a streamlined 510(k) review. The result is the availability of a powerful new diagnostic tool for newborn screening with clear labeling, proscribed quality control, and with state of the art performance that will protect the health of tens or even hundreds of thousands of newborns each year.

- **HAV Assays -** FDA worked with industry to reduce the regulatory burden for *in vitro* diagnostic hepatitis A virus assays used by clinical laboratories. On FDA's recommendation, a reclassification petition was filed with the FDA by Beckman Coulter, Inc. in October 2003. Less than one year later, in August 2004, a draft Class II Special Controls Guidance Document: Hepatitis A Serological Assays for the Clinical Laboratory Diagnosis of Hepatitis A Virus was published in conjunction with a Federal Register notice announcing the proposal to reclassify HAV serological assays from class III (high risk) to class II. This is an example of FDA's ongoing effort to create a risk-based approach toward review that is consistent with the "least burdensome" but still scientifically sound regulatory process outlined in the Modernization Act of 1997. It also is an example of FDA's use of collaboration with industry to leverage resources to help get its job of protecting and promoting public health done.

Least Burdensome Path

- **CAD System for Lung CT –** The first computer-aided diagnosis (CAD) system for detecting lung nodules on CT scans, the ImageChecker® CT CAD Software System**,** was given FDA premarket approval in spring of 2004. This device is designed to assist radiologists by cueing suspicious regions in the hundreds of images contained in a scan, thus allowing them to reduce the number of missed nodules that might otherwise occur when they interpret a lung CT scan. FDA played a primary role in developing the statistical methodology for assessing the difference in a radiologist's performance when working unaided versus aided with the CAD device. Adopting FDA's methodology, the manufacturer showed that the device could significantly improve performance. Moreover, the methodology provided the least burdensome path to the marketplace in terms of the numbers of patient cases and radiologist readers required to rigorously assess system performance. Anticipating this and other CAD system applications for CT scans, FDA scientists have spent several years advancing the state of the art and getting consensus among peers on the statistical methods for assessing these technologies. This effort helped to speed the path to market for these technical advances.

Federal Advisory Committees

- **CDRH held 21 Federal Advisory Committee panel meetings in 2004. –** These panels of external experts reviewed and made recommendations to FDA on 20 PMAs, one 510(k), two reclassification petitions, and three general issues. Among the topics addressed at the meetings were issues associated with significant breakthrough technologies for pulmonary tumor detection, a total artificial heart, and uterine fibroid ablation.

TECHNOLOGY AND INNOVATION

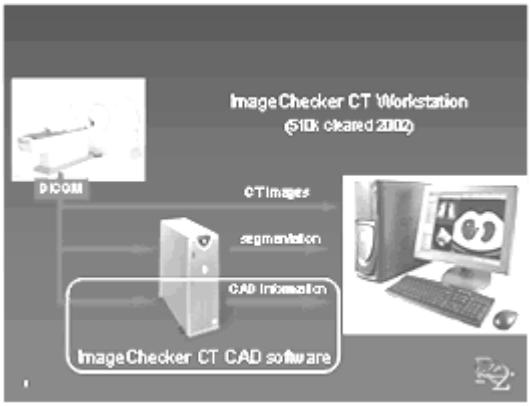
Device Approvals

In FY 2004 CDRH approved and cleared thousands of devices used to diagnose and treat a wide variety of medical conditions, including:

- **Philips HeartStart Home OTC Defibrillator** - *the first over-the-counter AED cleared by FDA for lay users.*

The HeartStart Home Defibrillator, manufactured by Philips Medical Systems, is a small, lightweight automatic external defibrillator (AED) specifically designed for use without a prescription. Approved September 2004, the device shocks the heart to restore rhythm in cardiac arrest victims. The HeartStart home defibrillator is cleared for use on adults or on children who are at least eight years old or older or who weigh at least 55 pounds. Special small pads are available by prescription for pediatric use. This device was the first over-the-counter AED cleared by FDA for lay users.

- **ImageChecker® CT CAD Software System** - *the first image analysis system designed to help radiologists review computed tomography (CT) images of the chest to aid in the detection of solid nodules in the lungs.*



In July 2004, FDA approved the ImageChecker CT CAD software system, manufactured by R2 Technology, Inc. The device is a new image analysis system designed to help radiologists review computed tomography (CT) images of the chest. The software system, the first of its kind for use with CT chest exams, aids in the detection of solid nodules in the lungs. Lung nodules can be malignant. The system uses CAD software to analyze CT images that the radiologist has previously reviewed, highlighting areas of the image that appear to be solid nodules. Because the device works independently of the radiologist, it can detect suspect areas that the radiologist may have over looked.

- **ExAblate 2000 System** - *a new medical device that uses magnetic resonance image guided focused ultrasound to target and destroy uterine fibroids, which are non-cancerous masses located in the uterus.*

The ExAblate® 2000 System, by InSightec, Ltd., is a medical device that uses MRI-guided, focused ultrasound to target and destroy non-cancerous uterine fibroids. Approved in October 2004, it is intended to treat women who have completed child bearing or do not intend to become

pregnant. ExAblate® 2000 is non-invasive surgery procedure. It spares the uterus and is an alternative to myomectomy, hysterectomy, watchful waiting, hormone therapy, or uterine fibroid embolization. The procedure generally lasts about three hours.

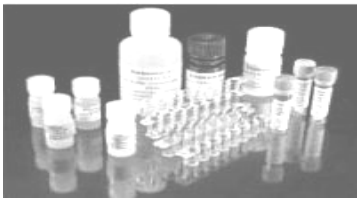
- **DeBakey VAD® Child** - *the first miniaturized heart pump (ventricular assist device) approved for use in children aged 5 to 16 who are awaiting a heart transplant.*

In February 2004, FDA approved the DeBakey VAD® Child by MicroMed Technology, Inc. under the humanitarian device exemption program. The DeBakey VAD® Child is intended for both home and hospital use in children who are between 5 and 16 years old, and who have end-stage left ventricular failure requiring temporary mechanical blood circulation until a heart transplant can be performed. The device may allow children with severe left ventricular failure to survive long enough to receive a donor heart.

- **AmpliChip Cytochrome P450 Genotyping Test** - *the first microarray approved by FDA and the first test for use of genomic data for personalized medicine.*

In December 2004, FDA cleared for marketing the AmpliChip Cytochrome P450 Genotyping Test made by Roche Molecular Systems, Inc. The test is cleared for use with the Affymetrix GeneChip Microarray Instrumentation System, manufactured by Affymetrix, Inc. The AmpliChip Cytochrome P450 Genotyping test is the first DNA microarray test to be cleared by the FDA that allows physicians to consider unique genetic information from patients in selecting medications and doses of medications for a wide variety of common conditions such as cardiac disease, psychiatric disease, and cancer. The test analyzes one of the genes from a family of genes called cytochrome P450 genes, which are active in the liver to break down certain drugs and other compounds. Variations in this gene can cause a patient to metabolize certain drugs more quickly or more slowly than average, or, in some cases, not at all. The specific enzyme from this family that is analyzed by this test, called cytochrome P4502D6, plays an important role in the body's ability to metabolize some commonly prescribed drugs including antidepressants, anti-psychotics, beta-blockers, and some chemotherapy drugs. The test is not intended to be a stand-alone tool to determine optimum drug dosage, but should be used along with clinical evaluation and other tools to determine the best treatment options for patients.

- **QuickELISA Anthrax-Pa Kit** - *the first rapid serum antibody test for anthrax.*



The Anthrax Quick ELISA test kit, approved June 2004, detects antibodies produced during infection with Bacillus Anthracis – the bacteria that causes anthrax. The test, manufactured by Immunetics Inc., provides an easy-to-use clinical laboratory tool for assessing whether patients have been infected with anthrax.

- **NeoGram Amino Acids and Acylcarnitine Tandem Mass Spectrometry Kit** - *the first pediatric device for neonatal screening for general inborn errors of amino acid metabolism.*

In August 2004, FDA cleared for marketing the NeoGram Kit, a laboratory blood test that will help doctors screen newborn infants for a variety of inherited diseases. The kit helps detect inborn errors in metabolism by measuring levels of amino acid, free carnitine and acylcarnitine. Abnormally high amounts of these substances, or abnormal patterns, may indicate different disease states including, but not limited to, phenylketonuria and maple syrup urine disease, medium chain Acyl-CoA dehydrogenase deficiency, isovaleric acidemia, homocystinuria and hereditary tyrosinemia. The symptoms of the diseases can include developmental delay, seizures, mental retardation and death. With early identification, many of the symptoms may be significantly reduced with improved long term outcome and improved quality of life.

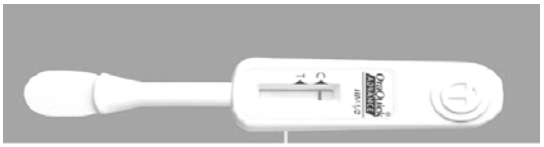
- **CellSearch™ Epithelial Cell Kit / CellSpotter™ Analyzer** - *a new biomarker for determining survival in patients being treated for end stage breast cancer.*

The CellSearch™ Epithelial Cell Kit / CellSpotter™ Analyzer by Veridex, LLC, a Johnson and Johnson company, was cleared for marketing in January 2004 for breast cancer patients to monitor and to help determine the effectiveness of the cancer treatment. The CellSearch™ Epithelial Cell Kit helps the pathologist identify Circulating Tumor Cells (CTC) blood. The CTC are then counted by the pathologist with the aid of the CellSpotter™ Analyzer. The more CTC there are in the blood, the less effective the cancer treatment is believed to be.

- **CEDIA® Sirolimus Assay** - *the first assay for a new immunosuppressive drug in over a decade.*

Approved July 2004, the CEDIA® Sirolimus Assay, manufactured by Microgenics Corporation, is a lab test that can be used to measure concentration of the drug, sirolimus, in blood. This test is used as an aid in the treatment of kidney transplant patients taking sirolimus. This is the first FDA cleared sirolimus assay using immunoassay technology that can be used in most central laboratories. Until now, sirolimus tests were performed only by specialized reference laboratories. The assay can be used for kidney transplant patients who are taking sirolimus, at any time when estimating the blood level of sirolimus might help manage treatment. The assay is used together with other lab tests and patient evaluations to help determine if a patient is receiving an appropriate amount of sirolimus. The assay should not be used alone to make treatment decisions. It should be used along with clinical evaluation and other lab tests.

- **OraQuick® Advance Rapid HIV-1/2 Antibody Test** - *the first point of care test for this antibody and the first test suitable for general field use.*



In June 2004, FDA granted a Clinical Laboratory Improvement Amendments (CLIA) waiver to the oral HIV test by Orasure Technologies (approved by CBER). The waiver extended the availability of the OraQuick Rapid HIV-1/2 Antibody Test from 38,000 laboratories permitted to perform the test

to more than 100,000 sites, including physician offices, HIV counseling centers and community health centers.

- **Ventana® Medical Systems' PATHWAY Anti-c-KIT (9.7) Primary Antibody** - *the first IHC (immunohistochemical) marker to assess in diagnosis and treatment selection in patients with a rare GI tumor.*

Approved August 2004, the PATHWAY Anti-c-KIT (9.7) Primary Antibody, manufactured by Ventana® Medical Systems, Inc, contains an antibody used in a lab test that can help identify patients with gastrointestinal stromal tumors (GISTs) and select patients eligible for treatment with the FDA approved cancer drug Gleevec®/ Glivec® (imatinib mesylate). The antibody detects a protein in the body that stimulates cancerous tissue cell growth (c-KIT tyrosine kinase). The presence of this protein indicates a diagnosis of cancer, in association with other clinical information, and indicates eligibility for GISTs cancer treatment with Gleevec®/Glivec®.

510(k) Workshop for New Manufacturers

- **FDA worked collaboratively with members of industry** to host a workshop on 510(k) submissions. Held in conjunction with the annual meeting of the Association of Medical Device Manufacturers, the workshop was designed to help companies new to the IVD industry learn how to develop and submit good 510(k) submissions. Both FDA and industry believe that helping companies understand good trial design and how to develop submissions conforming to FDA administrative and scientific requirements will produce more reliable and rapid reviews which will benefit all. The 2004 workshop was attended by more than 75 members of industry, was highly rated by attendees, and stands as a paradigm for successful outreach, transparency in work processes, and interactive learning.

Third Party Review Program

- **FDA increased the use of the Third Party Review Program** for 510(k) submissions. In FY 2004, FDA received 255 submissions, a 34 percent increase over the industry's use of the program in FY 2003, and twice that of FY 2002. This program contributed to a more rapid market entry for products using third party reviews since they receive marketing clearance approximately 30 percent faster, on average, than comparable 510(k)s reviewed entirely by FDA. In FY 2004, FDA implemented actions to improve the quality and consistency of third party reviews and to facilitate FDA's timely action on these submissions. They initiated quarterly telephone conferences with all third parties to discuss issues and answer questions; issued an updated guidance document on conducting and documenting reviews; and developed and conducted training seminars for FDA staff and third party reviewers.

Critical Path Workshop

- **Workshop Held on Drug-Diagnostics Translational Research –** The new field of pharmacogenetic research will enable pharmaceutical companies to develop drug treatments that precisely target the needs of particular patient populations. By linking drug treatments to diagnostic tests that can accurately identify appropriate receptive patients, pharmaceutical companies aim to decrease drug adverse events, increase drug response rates, and ultimately

save healthcare dollars. In July 2004, FDA initiated a national workshop on the co-development of drugs and diagnostics to give stakeholders a public venue for scientific suggestions and concerns about FDA regulatory practices in this important and growing new area. The proceedings of this conference are being used to develop guidance to ensure that this type of research translates in a rapid and cost-effective manner to new joint products that can quickly enter the medical marketplace.

RISK-BASE SCIENCE AND PROTECTING THE PUBLIC

Human Subject Protection

One of the Department's strategic goals is to enhance the capacity and productivity of the Nation's health science research enterprise by strengthening the mechanisms for ensuring the protection of human subjects and the integrity of the research process. In response, the Division of Bioresearch Monitoring's Research Misconduct program halted research associated with high risk investigational devices such as hip and knee implants for the elderly, devices for plugging holes in pediatric patients' hearts, lasers used for surgical procedures in the eye, coronary stents, ultrasound surgical devices for uterine fibroids, and diagnostic kits for infectious disease.

- **FDA's Application Integrity Policy** - FDA's Application Integrity Policy is applied to firms that have engaged in wrongful acts that raise significant questions regarding data reliability or human subject protection in research or marketing applications submitted for FDA review. FDA stops substantive scientific review of pending applications and may ask the firm to withdraw any approved applications until violations have been satisfactorily corrected and procedures and controls that will prevent further recurrence of these violations have been implemented. FDA placed three firms on its Application Integrity Policy List. As a result, one firm withdrew six suspect applications for orthopedic prostheses; FDA stopped another firm's research on a pediatric device; and FDA suspended review of a pending application for an infectious disease diagnostic device.

- **FDA's Early Intervention Program –** Initiated a program that focused on real time inspections (conducted *during* the research phase of an investigational device exemption (IDE)) for active device research involving exploitable populations such as pediatric and physically challenged subjects, as well as studies involving novel or breakthrough technologies. Normally bioresearch monitoring inspections are done after the research has been conducted and data submitted to FDA with a premarket approval application. Under this initiative, the inspection assignments are issued as the research is being conducted so that adjustments can be made during the research rather than after to help prevent improper research activities from harming patients and impeding the process for advancing medical technology.

- **Unapproved Pediatric Device Removed from the Market** - FDA stopped the research on a pediatric device to treat a congenital heart defect when inspectional findings disclosed that the sponsoring firm had failed to report two deaths that occurred with the device before FDA had approved it for use in research. FDA also found that several physicians had implanted infants and children with the device without FDA or institutional review board (IRB) approval and without informing the children's families that they had used an investigational

device. While use of the unapproved device could negate the need for open heart surgery in some cases, not all of the clinical outcomes were positive. The FDA investigation prompted the hospital's IRB to conduct their own internal investigation, resulting in dismissal of two participating doctors and a senior administrator, and termination of the research. FDA's follow up inspection of the device manufacturer revealed other physicians who had been shipped the unapproved device. Appropriate FDA regulatory and administrative response resulted in an unapproved device being removed from the market, and notification and follow-up for pediatric patients. Further research of this unapproved device will be conducted under a carefully designed, FDA-IRB approved clinical trial.

Import Monitoring and Inspections

During FY 2004, FDA continued to enhance risk-based management of the import monitoring and inspection program in order to assure the safety of medical products manufactured for use by American consumers.

- **Management of Inspection and Enforcement Actions –** FDA created and implemented a risk-based management program for inspection and enforcement actions which will improve decisions made in regulating and monitoring the medical device industry. The new program will impact how FDA prioritizes inspections and identifies and prioritizes other types of regulatory activities, such as device recalls, that present the greatest risk to public health.

- **Risk Assessment Criteria Developed –** As part of the new risk-based management program, FDA used the ISO standards' definition of risk as a foundation in developing its risk assessment criteria. This definition shows risk to be a combination of the probability of occurrence of harm and the severity of that harm. Harm is a negative effect on a person or person's health due to an unsafe or ineffective device, reduction in a device's safety/effectiveness, clinical benefit, fitness for use, improper use, or quality. FDA's new risk assessment criteria focuses its limited field resources on those medical devices and manufacturers that present the greatest risk to public health.

- **Work Planning Prioritization –** FDA developed a prioritization process proposal for work planning using Center-wide risk assessment criteria, and implemented an inclusive risk-based inspection work plan process. This process ensures that all Center program offices are afforded an opportunity to provide input into prioritizing special emphasis inspections.

- **New Division of Risk Management Operations** – The Division of Risk Management Operations was created within the Office of Compliance to focus more attention on risk management activities and support. The new division includes a Risk Management and Analysis Branch that will focus on collecting data from systems already available, but not linked, to analyze and present findings that can be used in the risk-based decision making process. In addition, the Branch will monitor program outcomes, analyze current medical device compliance programs and identify the need for more effective medical device compliance programs.

- **Reduced Inspection Delays –** Reduced premarket inspection delays, from 53 percent in FY 2003 to 15 percent in FY 2004 despite foreign inspection travel restrictions. This was achieved through improved communication and coordination with ORA management including reporting current status of inspection assignments for early intervention of problem areas, awareness of mandated timelines, and the assignment of PMA coordinators in the district offices.

- **Inspections for Reprocessed SUDs –** Inspected over 100 randomly identified U.S. hospitals to determine their compliance with the Quality System regulation for the reprocessing of single use devices. The inspections found no hospitals currently reprocessing SUDs.

Transmissible Spongiform Encephalopathy (TSE)

- **Evaluation of Prion Decontamination Procedures** - Creutzfeldt-Jakob disease (CJD,) a human form of TSE that occurs worldwide, is a rapidly progressive, invariably fatal neurodegenerative disorder believed to be caused by a prion protein. The World Health Organization has developed infection control guidelines for CJD that include the destruction of heat-resistant surgical instruments that come in contact with high-infectivity tissues. Since this safest and most unambiguous method may not be practical or cost effective, FDA scientists examined the effects of using aggressive decontamination techniques on the instruments instead. The study results, including aggressive decontamination techniques that can be used as alternatives to the destruction of heat-resistant surgical instruments that come in contact with high-infectivity tissues, were published in the peer-reviewed scientific literature. A full report on this study is available on the CDC website. (See http://www.cdc.gov/ncidod/diseases/cjd/cjd_inf_ctrl_qa.htm). FDA's data are the basis of the CDC website's cautionary warnings on TSE.

International Relations

- **Science Reviewer Residency –** FDA developed and implemented a training residency program in the Office of Device Evaluation for scientific reviewers from Japan and China. Training support for these multi-month residencies was provided by all five operating divisions to help bring these global harmonization partners into recognition and understanding of the regulatory procedures for FDA devices.
- **CAB Auditors –** Under the US/EU Mutual Recognition Agreement to facilitate transatlantic trade, trained and evaluated European Union Conformance Assessment Body (CAB) auditors through the joint inspection program, and established a team to conduct on-site evaluations of United States CABs.

Clinical Laboratory Improvement Amendments (CLIA)

- **CLIA** established quality standards for all laboratory testing to ensure accurate, reliable and timely patient test results regardless of where a test was performed. Of central importance to the CLIA program is the assignment of a complexity category to commercially marketed diagnostic tests. The tests are categorized into one of three CLIA regulatory categories based

on their complexity (i.e., potential risk to public health,) and laboratories may only purchase and use a particular test based on the laboratory's level of CLIA certification. Since FDA reviews the premarket applications for these tests, streamlining the CLIA application process necessitated a transfer of responsibility for complexity determinations from CDC to FDA. During 2004 FDA completed the delegation of authority to FDA for CLIA complexity determination and finalized a 5-year Interagency Agreement with CMS for CLIA waiver authority.

EMPOWERING CONSUMERS FOR BETTER HEALTH

FDA continued to improve communication with consumers by providing increased access to information on regulated products and health issues on its FDA websites, in newsletters, through increased outreach efforts, and through operational initiatives within CDRH. These efforts are helping consumers make smarter healthcare decisions.

OUTREACH ACTIVITIES

- **FDA Patient Safety News (PSN) -** FDA Patient Safety News (FDA PSN), a monthly video news show distributed by FDA to health care practitioners is a major agency vehicle for communicating safety messages on medical products. Now in its third year of production, incorporates stories from CDER, CDRH and CBER on medical errors, patient safety, recalls and alerts, and newly approved drugs, devices and biological products. CDRH leads the production of FDA PSN, which this year received an Award of Excellence from National Association of Government Communicators. The show is broadcast each month on several medical satellite TV networks that bring continuing education for health professionals to over 4,000 U.S. hospitals and long-term care facilities. The show also has its own web site (www.fda.gov/psn), which receives about 6,000 "hits" per month. In addition to searching stories on the site, users can report problems through MedWatch.

- **FDA & You -**"FDA & You" is published in Fall, Winter, and Spring/Summer on the CDRH Internet at http://www.fda.gov/cdrh/fdaandyou and is targeted towards the secondary schools population and the health educator population.

- **Cardiovascular Disease** -FDA's Heart Health Online is the Agency's newest disease-specific website. Its purpose is to provide consumer information about the products used to diagnose, prevent, and treat cardiovascular disease. http://www.fda.gov/hearthealth/

- **Pediatric Medical Devices -** The new Pediatric Medical Devices website provides information and guidance on pediatric devices at http://www.fda.gov/cdrh/pediatricdevices/.

- **Cochlear Implants -** FDA's new Cochlear Implants website, http://www.fda.gov/cdrh/cochlear/whatare.html, purpose is to describe cochlear implants, link to FDA-approved implants, tell the benefits and risks of cochlear implants, and provide news about cochlear implant recalls and safety issues.

- **Home Health Care -** FDA has asked all manufacturers of infusion pumps to submit instructions for use and basic pump information for every pump marketed during or after 1984. Once collected, the pump information and instructions will become part of FDA's publicly accessible home health care device website (www.fda.gov/cdrh/cdrhhhc/.) Providing accessible information on this website will increase the likelihood that users—home health nurses, patients, and patients' families—will have the pump information and instructions needed to help ensure the safe and effective use of infusion pumps in the home.

PATIENT AND CONSUMER PROTECTION

During 2004 FDA continued to work to reduce the risks associated with FDA-regulated products in order to improve patient and consumer safety. This work has included such efforts as basic research, development of guidances, and outreach efforts to the medical community and to industry. Examples of patient safety accomplishments are described below.

Collaboration with the Center for Disease Control and Prevention (CDC)

- **Evaluation Protocol and Detection of Vancomycin-resistant S. aureus –** FDA and CDC became aware of three cases in which mutation in the important disease causing bacteria Staphylococcus aureus prevented automated test systems from detecting if the bacteria were sensitive or resistant to the standard treatment antibiotic, Vancomycin. This test failure had the potential to cause errors in treatment with serious consequences since Vancomycin-resistant S. aureus (VRSA) is difficult to treat and has the potential to spread broadly in healthcare settings, causing outbreaks of infection ranging from minor skin infections and abscesses, to life-threatening diseases such as pneumonia, meningitis and septicemia. Because of the significant clinical and public health risk involved, CDC and FDA immediately alerted both users and manufacturers to the potential failure of the devices to detect VRSA. Through a collaborative effort, the two agencies developed an evaluation protocol and worked with all manufacturers to address the detection problem. The cooperation and collaboration between CDC and FDA enabled all clinical and reference laboratories to introduce corrective actions; provided manufacturers with a system for demonstrating how they could use their devices to correct this problem; and averted major clinical and public health problems in a timely and efficient manner.

Laboratory Investigations

- **Testing Of Counterfeit Surgical Meshes -** Surgical meshes are used to cover internal body defects, and following implantation, tissue re-growth and healing reinforce the mesh repair. In fall 2003, it was discovered that some patients had been implanted with a counterfeit mesh, putting them at serious risk of infection or injury because the safety and effectiveness of the counterfeit mesh had not been established by the FDA or anyone else. To evaluate the risk, FDA compared the counterfeit mesh's chemical and mechanical properties to those of polypropylene meshes with well-established safety records. Laboratory data on cytotoxicity, porosity, weave dimensions and structure established that the counterfeit mesh did not differ significantly in any measurements from approved commercial meshes. The laboratory results were also utilized in the investigation of these products.

MedSun

- **New Programs -** FDA increased efforts to educate the MedSun sites about the importance of adverse event reporting for patient safety and about safety issues with medical devices. In FY 2004 MedSun developed a number new programs, including additional training, a workshop on electro-surgical units, a project to evaluate common problems with sutures, an engineering audio conference, a collaboration with the research organization ECRI on automatic suture devices, a study on pulmonary catheters, a study on drug eluting stents, and a pilot of the LabSun program for clinical laboratory reporting.

Public Health Issues

- **New Website on Surgical Staplers –** Each year over the past 5 years there have been 8,000 to 9,000 adverse event reports related to surgical staplers. FDA's new website on surgical stapler adverse events is available at (www.fda.gov/cdrh/surgicalstapler/index.html) and includes information on stapler malfunctions, results from a CDRH analysis of 112 MDR death reports over seven years that were attributable to surgical stapler failures, and a link to FDA's MedWatch Program to report problems.

Mammography and Radiological Health

- **Improved MQSA Compliance/Enforcement Strategy -** FDA developed an improved MQSA compliance/enforcement strategy that focuses on serious observations, appropriate enforcement actions, and the use of pre-warning Letter (WL) follow-up inspections. In the past, WLs were issued in some situations for less significant violations, and relatively few enforcement actions taken when a WL was issued. FDA agreed that post-inspection focus would now be on the facility's history, the most significant current observations, meaningful enforcement, and increased pre-WL follow-up inspections. The new strategy has resulted in: quicker facility response to serious observations; more effective correction motivated by the prospect of a follow-up inspection for which the facility would be charged; and no increase in work for the District Offices to reach an acceptable facility response for violations for which the Agency is committed to take enforcement action.

- **Mammography Quality Standards Reauthorization –** In October 2004, President signed The Mammography Quality Standards Reauthorization Act of 2004, extending the standards through 2007 and codifying existing certification practices for mammography facilities and laying the groundwork for further study of key issues that include ways to improve physicians' ability to read mammograms and ways to recruit and retain skilled professionals to provide quality mammograms.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

FDA continued to evaluate and improve its counter-terrorism activities by revising emergency preparedness procedures for both medical devices and radiological health, working with other Federal, state, and local government agencies to strengthen preparation and response capabilities, managing product shortages, supporting the development and use of safe and effective x-ray screening devices, and ensuring continuity of operations.

EMERGENCY PREPAREDNESS

- **Detection of a Biothreat Pathogen with First Anthrax Quick Elisa Test: Collaboration with CDC –** In June 2004, FDA cleared the first Anthrax Quick Elisa test. Manufactured by Immunetics Inc. of Boston, it detects antibodies produced by a Bacillus anthracis infection in less than one hour and is an important new diagnostic tool in the ability of U.S. laboratories to address a serious potential biothreat pathogen. Before FDA approval, very few laboratories other than the CDC and the U.S. Army had the ability to test blood for antibodies to anthrax. The new test will now be available for use in state and private laboratories. This clearance is the result of a collaborative interaction between FDA, CDC and a commercial partner, showing how such cooperative work can lead to approval of diagnostic tests for biothreat agents and emerging infectious diseases.

- **Improved Process to Identify Shortages –** FDA developed a new, more responsive process of identifying potential device shortages and the responsibilities for managing the shortages during public health emergencies/terrorist events.

- **Improved Emergency Shortages Data Collection System –** FDA developed an improved Emergency Shortages Data Collection System that allows quick identification of device manufacturers and available inventories. This is intended to facilitate identifying potential shortages in medical and *in vitro* diagnostic devices that may be needed by emergency healthcare personnel in the acute phase of an emergency/disaster. This data is handled as non-releasable, confidential commercial information.

- **Emergency Preparedness SOPs –** FDA developed standard operating procedures to sustain standardization of activities relevant to successful emergency preparedness, such as SOPs for handling and storing Top Secret and Secret documents.

- **Emergency Response Coordinating Workgroup –** FDA formed the Emergency Response Coordinating Workgroup (ERCW), which includes the core emergency personnel involved in initial response to a call for action in an emergency. ERCW responsibilities cover revising and updating the Emergency and Disaster Operations Procedures, writing new SOPs to update and improve response times, trouble-shooting on issues related to emergency exercises, and developing after action reports (AAR) to clarify issues after an exercise.

- **COOP Readiness –** FDA updated the Continuation of Operations Plans (COOP) and conducted quarterly exercises to improve readiness of all COOP and communication systems in CDRH.

RADIOLOGICAL COUNTERTERRORISM AND RADIATION SAFETY

- **FDA Protects Medical Device Users from Electromagnetic Interference in Security Metal Detectors while Maintaining National Security: Collaboration with Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) –** FDA's research and its collaboration with FAA and TSA produced a new test method and a

recommended practice to help protect the public health while maintaining national security against terrorism. FDA, through its research, produced unique information about the emissions from security metal detector systems (both hand-held and walk-through type), performed independent testing with several implanted medical devices such as cardiac pacemakers, and developed a new system to simulate metal detector emissions for testing medical devices.

The unique data and test methods developed by FDA were used to write the recently published ASTM F2401-04 "Standard Practice for Security Checkpoint Metal Detector Screening of Persons with Medical Devices." FDA conducted its research in response to reports of security system-medical device problems, some involving serious injury when cardiac or neurological stimulation implants were disrupted by the security systems. This new standard will reduce the risks for millions of people using implanted and portable medical devices.

- **Research Shows No Negative Health Impacts Of Cell Phones: Collaboration with Wireless Industry** - Research, conducted under a FDA-wireless industry (Cellular Telecommunications and Internet Association) cooperative research agreement and overseen by FDA, found no link between exposure to cell phone radiofrequency (RF) emissions and genetic damage in cells. This refutes earlier industry-funded research indicating that a link exists. The results of the laboratory tests were presented in June 2004 at the annual meeting of the Bioelectromagnetics Society and by the FDA at a FCC-hosted workshop on mobile telephony and health. Researchers and other experts from around the world attended the workshop, the latest in a series held to discuss the latest studies on the health effects of RF emissions, standards, and public outreach and education.

- **Emergency Response Plan Update –** FDA updated the Emergency Counterterrorism Preparedness and Response Plan for radiation, identifying key personnel and processes for FDA to follow when responding to a national radiological emergency.

- **Nationwide Evaluation of X-ray Trends** - The Nationwide Evaluation of X-ray Trends (NEXT) program is a world-recognized collaboration of FDA with the Conference of Radiation Control Program Directors (CRCPD), the umbrella organization of state radiation control agencies, to monitor the radiation doses patients receive during diagnostic x-ray exams. Each year the NEXT program selects a particular radiological examination for study and captures radiation exposure data from a nationally representative sample of U.S. clinical facilities. In doing so, NEXT provides the radiological community with important technical indicators of diagnostic x-ray practice and addresses specific concerns from both the private and professional sectors:
  - The American Association of Physicists in Medicine is developing a report that provides reference levels for patient exposure during selected diagnostic x-ray exams. Their effort relies significantly on published NEXT data, and a formal report is expected to be published in *Radiology* in early CY05;
  - In FY 04 FDA published a comprehensive analysis of a NEXT survey of adult abdomen lumbrosacral spine examinations (*Radiology* 2004; 232:115-125); and,
  - NEXT is currently preparing for a survey of computed tomography, a procedure that administers significantly higher doses to patients than standard x-ray film procedures.

- **Amendments proposed to Federal Laser Performance Standards –** FDA developed proposed amendments to the Federal Laser Performance Standards, 21 CFR 1040.10 and 1040.100, which adopt by reference and with national exceptions, the IEC laser standards (60825-1 and 60601-2-22) as the new Federal standard. The amendments move to create a single global regulatory environment for laser product manufacturers, which will reduce the regulatory burden on industry and update the Federal standard to reflect current laser technology and bioeffects research.

IMPROVING FDA'S BUSINESS PRACTICES

During the year FDA continued to build effective and efficient operations and a highly skilled and diverse workforce needed to carry out the Agency's goal of more effective regulation through a stronger workforce. Specific accomplishments include the following:

- **Mentoring for Excellence Program** – CDRH completed the "Mentoring for Excellence Program" pilot for new managers. The program is intended to develop management competencies which top managers have identified as crucial in CDRH's culture. The results are being reviewed and CDRH is exploring ways to integrate this tool into the diverse leadership enhancing programs offered within the Center;
- **Continuing Science Education Program –** CDRH created the Continuing Science Education Program (CSEP), which offers joint educational programs with selected colleges and universities. CSEP has two different programs for targeted audiences: the Basic Science Education Program (BSEP) and the Science Leadership Education Program (SLEP.) These programs are designed to encourage continual learning and provide employees with an opportunity to enhance their overall scientific knowledge;
- **Competency Model –** The development of a Competency Model that will identify the essential core, science, and functional (job category) competencies for CDRH employees was initiated. The model is intended to guide employees' professional development and ultimately enhance job performance and the accomplishment of organizational goals;
- **CDRH Communication Plan –** A Communication Plan was developed and piloted in CDRH to: provide a process to plan, prioritize, and budget for CDRH communication activities; help employees communicate across CDRH and share expertise on outreach projects; and provide consistent and coordinated messages to the public; and,
- **Paperless Assignments for BIMO –** A paperless inspection assignment process was implemented that allows over 300 Bioresearch Monitoring inspections annually to be created and issued by electronic means. This results in substantial cost savings for mail distribution and document storage as well as enhancing the efficiency of FDA's inspectional process.

Devices and Radiological Health
Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actuals	FY 2005 Estimate [1/]	FY 2006 Estimate
Expedited Original PMA MDUFMA Decision Goal (% of decisions within # of FDA days)	**NA**	**70% in 300 days**	**80% in 300 days**
Expedited PMA Received Expedited PMA Approved	14 5	9 9	9 9
Expedited PMA – Performance	100% in 300 days	70% in 300 days	80% in 300 days
PMA original, panel track supplement and premarket report submissions MDUFMA Decision Goals (% of decisions within # of FDA days)	**NA**	**NA**	**NA**
PMAs Received (PDP and PMA)	51	50	50
PMAs Approved (PDP and expedited)	39	43	43
Original PMA performance	74% in 320 days	75% in 320 days	75% in 320 days
PMA Supplement Panel Tracks[2/] Received	8	20	20
PMA Supplement Panel Tracks[2/] Approved	5	15	15
Panel track PMA Supple-Ment[2/] performance	NA	NA	NA
Humanitarian Device Exemptions Received	6	6	6
Humanitarian Device Exemptions Approved	6	5	5
Average FDA Review Time (FDA days approval)	182	110	110
180- day PMA Supplements MDUFMA Decision Goal (% of decisions within # of FDA days)	**NA**	**80% in 180 days**	**80% in 180 days**
PMA Supplements Received	638	650	675
PMA Supplements Approved	467	530	535

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actual	FY 2005 Estimate [1/]	FY 2006 Estimate [3/]
180-day PMA supplement performance	74% in 180 days	80% in 180 days	80% in 180 days
510(k) MDUFMA Decision Goal (% of decisions within # of FDA days)	**NA**	**75% in 90 days**	**75% in 90 days**
510(k)s Received (Trad., Special, Abbrev., 3rd party)	3634	4,325	4,325
510(k)s Completed (All Decisions)	3918	4,200	4,200
510(k) performance	89% of FY04 receipt cohort	75% in 90 days	75% in 90 days
Investigational Device Exemptions Received	226	315	315
Investigational Device Exemptions Decisions	221	315	315
% Acted on Within 30 Days	100%	100%	100%
IDE Supplements Received	4311	5,200	5,200
IDE Supplements (Approved/Total Decisions)	4348	5,200	5,200
% Acted on Within 30 Days	100%	100%	100%
Total Standards Recognized for Application Review	695	720	750

[1/] FDA is committed to meeting the performance goals cited in the MDUFMA legislation. The user fee funds, coupled with the increased appropriated resources for medical device review received in FY 2005, will enable FDA to meet the aggressive premarket goals agreed upon by FDA and its stakeholders. The FY 2005 requested increase will strengthen the capabilities needed to meet the increased performance goals by building the medical device review infrastructure and hiring new reviewers. Outputs are not expected to increase until FY 2006 and FY 2007 when the infrastructure is in place and functioning and the new reviewers are on board and fully trained. Increased outputs in FYs 2006 and 2007 are contingent upon receipt of MDUFMA user fee revenue.

[2/] A "Panel-Tracked" PMA supplement is a supplement to an already approved PMA and is usually for a change in the indications for use statement. The change in indications statement is usually for a new use of the already approved device (not change to the device), for use in a different disease condition, for use in a different anatomical site, or for use in a different patient population. A summary of safety and effectiveness information is prepared and made available to the public.

[3/] Includes filing decisions, review determinations, and approval decisions.

PERFORMANCE GOALS AND TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Complete Review and Decision on 80 percent of Expedited PMAs within 300 days.* (15033)	FY 06: Complete review and decision on 80 percent of Expedited PMAs within 300 days.
Complete Review and Decision on 80 percent of 180 day PMA supplements within 180 days.* (15031) FY 2003 Review time 180 days	FY 06: Complete review and decision on 80 percent of 180 day PMA supplements within 180 days.
Complete Review and Decision on 75 percent of 510(k)s (Premarket Notifications) within 90 days.* (15032)	FY 06: Complete review and decision on 75 percent of 510(k)s within 90 days.
Maintain inspection and product testing coverage of Radiological Health industry at 10 percent of an estimated 2000 electronic products. (15027)	FY 06: Maintain inspection and product testing coverage of Radiological Health industry at 10 percent of an estimated 2000 electronic products.
Ensure at least 97 percent of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3 percent with Level I (serious) problems. (15007)	FY 06: Ensure at least 97 percent of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3 percent with Level I (serious) problems.
Expand implementation of MedSun to a network of 350 facilities. (15012)	FY 06: Maintain a cohort of 350. Roll-out non-performers and replace with new sites to maintain the 350.

*See footnote #1 on previous page for a rationale for the achievement of these goals.

NATIONAL CENTER FOR TOXICOLOGICAL RESEARCH (NCTR)

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$39,869,000**	**$40,435,000**	**$41,381,000**	**+$946,000**
Total FTE	*207*	*229*	*220*	*-9*
Budget Authority	**$39,869,000**	**$40,435,000**	**$41,381,000**	**+$946,000**
Food Defense	*$164,000,000*	*$1,403,000*	*$2,403,000*	*+$1,000,000*
Administrative Efficiencies	*N/A*	*N/A*	*-$54,000*	*-$54,000*
Total FTE	**207**	**229**	**220**	*-9*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

HISTORICAL FUNDING AND FTE LEVELS

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$39,259,000	$39,259,000	0	221
2003 Actual	$40,403,000	$40,403,000	0	226
2004 Enacted	$39, 869,000	$39, 869,000	0	207
2005 Estimate	$40,435,000	$40,435,000	0	229
2006 Estimate	$41,381,000	$41,381,000	0	220

Does not contain GSA Rent or Other Rent and Rent Related Activities.

[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET REQUEST

The National Center for Toxicological Research (NCTR) is requesting $41,381,000 to conduct peer-reviewed scientific research that supports and anticipates the FDA's current and future regulatory needs. This involves fundamental and applied research to define biological mechanisms of action underlying the toxicity of FDA-regulated products. This research provides the basis to make sound science-based regulatory decisions, and to promote the public health through its core activities of premarket review and postmarket surveillance to better understand critical biological events in the expression of toxicity and at developing methods to improve assessment of human exposure, susceptibility and risk. These scientific findings are then applied to FDA's pre-market review and product safety assurance effort. The mission of NCTR is to:

- Conduct fundamental and applied research aimed at understanding critical biological events, such as adverse drug reactions and/or antibiotic resistance, to determine how people are adversely affected by exposure to products regulated by FDA;

- 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 the Agency's core activities of pre-market review and post-market surveillance;

- Develop methods to measure human exposure to products that have been adulterated or to assess effectiveness and/or the safety of a product; and,

- Provide the scientific findings used by the FDA product centers for pre-market application review and product safety assurance to the scientific community for the betterment of public health.

PROGRAM DESCRIPTION

The NCTR conducts basic and applied research specifically designed to define biological mechanisms of action underlying the toxicity of FDA-regulated products. This research is aimed at understanding critical biological events to the exposure of toxins and at developing methods to improve assessment of human exposure, susceptibility, and risk. This is particularly pertinent in supporting FDA's role in developing medical counter-measures and other preparatory efforts for the Department's bioterrorism activities.

All of the research performed at NCTR is targeted to fulfill three program strategic research goals in support of FDA's public health mission:

- *Risk Assessment for Regulated Products* includes the development of new strategies and methods to test/predict toxicity and assess/detect risk for FDA regulated products, both new and on the market - this includes new genetic systems and computer-assisted toxicology for use in application review and development of gene chip and gene array technology;

- *Knowledge Bases that Predict Human Toxicity* requires the development of computer-based systems as knowledge bases, that predict human toxicity to enhance efficiency and effectiveness of premarket reviews; and,

- *Methods for Use in FDA Standard Development and Product Risk Surveillance* is the conduct of fundamental research to understand mechanisms of toxicity, assess new product technology and provide methods for use in FDA standards development and product risk surveillance.

NCTR conducts research that supports the Agency's core mission areas through the dedicated efforts of staff in eight divisions, each of which is committed to the study of biochemical and molecular markers of cancer, nutritional modulation of risk and toxicity, developmental toxicity, neurotoxicity, quantitative risk assessment, transgenics, applied and environmental microbiology, and solid-state toxicity. The divisions work closely in a seamless effort supporting the FDA's mission to bring safe and efficacious products to the market rapidly and to reduce the risk of adverse health effects from products on the market.

Translational Research

Research performed by NCTR is "translational" – meaning basic information derived from studies is further modified to apply to a specific question that supports FDA's public heath mission. An example of this is the basic research developed to create a mutant mouse or rat. FDA scientists use this capability and apply it to specific rodent strains to assess the safety of a human or animal drug, or to understand the mechanism of action of a food additive or medical device. Studies include the nature, effects and detection of poisons and the treatment of poisonings—toxicology.

NCTR is co-located with the Office of Regulatory Affairs' Arkansas Regional Laboratory (ARL) on a large campus to form the Jefferson Laboratories located in Jefferson, Arkansas, situated near the City of Little Rock, Arkansas. The research work performed by NCTR is conducted in 34 buildings and 4 trailers.

PERFORMANCE ANALYSIS

During the latest completed performance period, (FY 2004), NCTR successfully met all of the targets of its four performance goals. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

NCTR continues to support the Agency's counterterrorism efforts by conducting research in the effort to protect the Nation's food supply from a terrorist's attack. The Center has set ambitious targets in support of these efforts and in order to achieve these targets adequate funding is required.

Performance Highlight:

Goal Target	Context	Results
Establish a nutrition program in collaboration with other Centers to address the risk associated with obesity in children, nutrition in pregnant women and poor nutrition in sub-populations; and initiate analysis on samples requiring high levels of containment in an accredited biosafety level 3 facility.	The public health risks and need for biomedical and behavioral research related to nutrition and obesity in children and pregnant women have been outlined in reports issued by the Surgeon General (1988), NAS (1994), IOM/NAS (1997-2004) & working/advisory groups within FDA (2003-2004). Scientists must define associations of childhood obesity and the influences of maternal smoking, exposure to drugs and environmental agents.	Collaborative efforts that support this goal / target include participation on a committee involving CFSAN, CVM, and NCTR. This committee has prepared a white paper entitled, "Filling Critical FDA-Related Food and Nutrition Research Gaps."

RATIONALE FOR BUDGET REQUEST

The budget request for Budget Authority supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goal.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

Other Rent Related Activities Structure Change
To provide increased flexibility, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the operating program, and better reflect the total cost of each program, this budget changes the way the Other Rent-Related Activities budget lines are displayed by incorporating these resources into Other Activities program level request.

Budget Authority

Food Defense: +$1,000,000
The additional resources aids NCTR in investigating the possibility of interspecies transfer of resistance mechanisms (including transfer to humans) and to conduct research to facilitate the development of rapid, accurate tests to detect and monitor pathogenic microorganisms in food, food producing animals, and human intestinal microflora, and to develop risk assessment models and techniques through the use of computational science.

Management Savings: - $54,000 and – 1 FTE
FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

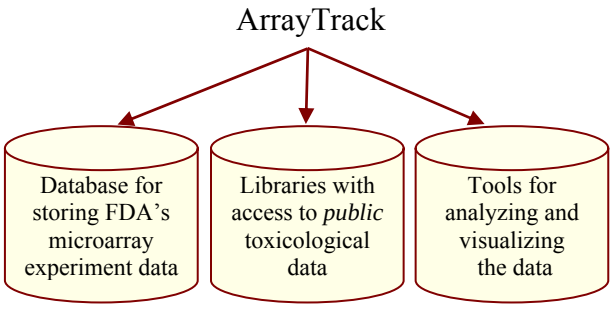
- **Administrative Efficiencies: -$54,000 and -1 FTE**
  Administrative efficiency savings will total -$1,554,000 and -15 FTE, of which the NCTR share is -$54,000 and -1 FTE.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICIES:
FDA uses science-based risk management in all Agency activities so that limited resources can provide the largest amount of health promotion and protection at the least cost for the public. NCTR's effective risk management efforts:

- Develop a unique and sophisticated analytical infrastructure to assess the safety of FDA-regulated products using genomics, proteomics and metabolomics in conjunction with traditional biomarkers of safety. A systems biology approach to toxicity testing will provide data that are more easily extrapolated to humans, making data interpretation easier and relevant. Scientists believe these developments may prove that new disease markers and drug targets can be identified that will help design products to prevent, diagnose and treat disease;

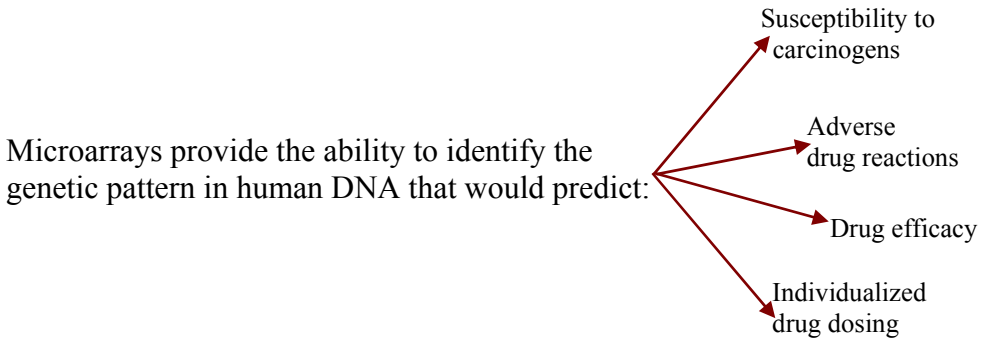
- Provide software systems and analysis capability to manage and integrate data from new technologies (such as microarrays, proteomics, and functional genomics) with traditional toxicological data. NCTR computational scientists have developed ArrayTrack, a data management and analysis software that is utilized to store and analyze the thousands of data points generated by a single microarray experiment to provide a scientific basis for FDA regulatory standards;



- Use advanced proteomic technology to analyze changes in a given sample after exposure to a toxicant allowing the identification of function and quantification of all proteins in the sample. A mass spectrometer is used to analyze the changes in proteins due to toxicant exposure and to identify possible disease states in the brain, liver, prostate, and blood;

- Develop methods to measure human exposure to adulterated products and enhance the understanding of acute and chronic liver disease. This research is used by FDA's product centers for premarket application review and product safety assurance to improve product quality and better predict the toxicity of new drugs; thereby, managing public health risk;

- Use microchip arrays, small quantities of genetic material bound to computer chips, to analyze a large number of chemical reactions. By using this technique FDA can provide physicians with a means to provide diagnosis and/or treatment to patients more quickly;



- Collaborate with FDA Centers, other agencies and academia to develop a viable nutrition program to improve human health and evaluate the toxicity of botanical ingredients in dietary supplements. These programs, that are of vital interest to the FDA, promote research dealing with chronic obesity in children, nutritional requirements in pregnant women, and nutrition and its linkage to diabetes; and,

- Use chemical probes to determine if bacteria in food and food producing animals or their environment have developed resistance to commonly used antibiotics.

PATIENT AND CONSUMER PROTECTION:

Another important function of FDA is to identify risks associated with the use of medical products and reduce the occurrence of adverse events. FDA provides the scientific findings used by its product centers for premarket application review and product safety assurance to the scientific community to promote public health. The Agency develops methods to manage or assess risk associated with products that have been adulterated, intentionally contaminated, or found to be detrimental to human health. NCTR will continue to:

- Investigate the long-term consequences of using HIV therapeutics and endocrine disrupter products particularly from generation to generation;

- Develop animal models with genetic material from other species to better predict how animal study data relate to humans; and,

Simulated solar light

- Address the potentially hazardous effects of sunlight with products used by the public. NCTR has one of only two phototoxicology laboratories in the world with the capacity to expose large numbers of animals to simulated solar light – almost any light to which humans are exposed. Studies of particular concern being conducted at NCTR include:

  - Interaction of sunlight and cosmetics;
  - Safety of products (such as dietary supplements, sports drinks, or skin creams) containing aloe vera; and
  - Stability and toxicity of tattoo ink ingredients.

Toxicant-Induced Exposure

Studies are conducted to evaluate tissues and biological fluids for changes in metabolite levels that result from toxicant-induced exposure. This exposure could stem from adulteration of a product through the manufacturing process or as a result of a biological agent.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

FDA continues to monitor, evaluate, and follow up on the public health needs of new regulated products and to evaluate their use in counterterrorism preparedness and response. These activities support the Department's goals to enhance the ability of the Nation's health care system to effectively respond to bioterrorism and other public health challenges. FDA will continue to:

- Conduct fundamental applied research, including animal and microbial bioterrorism research and analytical studies aimed at understanding critical biological events to determine how people are adversely affected by exposure to FDA-regulated products and to develop a means by which potential biowarfare agents can be rapidly detected;

- Conduct research studies of bacterial strains in order to respond rapidly to various types of emergencies by supporting the rapid detection and identification of biological warfare agents or foodborne contaminants through methods developed in a state-of-the-art Biosafety Level-3 laboratory facility located in Jefferson, Arkansas;

- Conduct studies, developing methods and recommending industry guidelines to evaluate the safety of antimicrobial agents for human health risks. Studies of emerging interest to the FDA under the food security/counter terrorism initiative continuing at NCTR include:

- Human flora-associated mouse model and *in vitro* cell-culture model evaluations of antimicrobial drug residue effects on colonization resistance and host immunity; and,

- Development of a DNA microarray method for the detection of intestinal bacterial species and foodborne pathogens in human fecal samples to monitor drug-mediated perturbations in these indigenous populations.

In vitro culture system of human colon

Antimicrobial Resistance

Determining limits on antimicrobial residue daily intake for Decision Tree developed at NCTR was adopted into policy, CVM Guidance for Industry # 52 "Assessment of the effects of antimicrobial drug residues from food of animal origin in the human intestinal flora."

IMPROVING FDA'S BUSINESS PRACTICES

In support of the strategic goal to foster a strong FDA through scientific recruitments and administrative efficiencies, NCTR has increased its scientific expertise in the areas of computational science, food safety and counterterrorism by hiring additional expertise in these areas. NCTR has actively participated in the development of the Shared Services Organization designed to provide customer-centric administrative services agency-wide resulting in administrative efficiencies. To achieve this goal, NCTR transferred approximately 50 percent of its administrative staff to shared services and has downsized the remaining administrative staff by 13 percent. In addition, NCTR staff received the *Presidential Award for Leadership in Federal Energy Management* for reducing energy consumption by 37 percent over a 10 year period in support of Executive Order 13123. This happened by establishing an agreement with Entergy Arkansas to provide energy management projects.

By improving its business practices, FDA will ensure a world-class professional workforce, effective and efficient operations, and adequate resources to accomplish the Agency's mission. In support of this goal, NCTR will continue to:

- Reward and retain state-of-the-art scientists and health professionals and utilize web-based recruiting strategies to broaden reach and accelerate access;

- Increase the use of existing formal and informal training programs such as intern programs and mentorship experiences to train and develop a highly skilled workforce;

- Assure that scientists maintain state-of-the-art expertise by training them in emerging technologies; and,

- Support the PMA and FDA's competitive sourcing A-76 effort by performing cost comparison studies for commercially identified functions.

SELECTED FY 2004 ACCOMPLISHMENTS

USING RISK-BASED MANAGEMENT PRACTICES

Toxicological Research

- Continued development of secure online database technology, known as ArrayTrack, for interpretation of data received from DNA chromosome test studies. ArrayTrack is an integrated software package that plays a critical role in managing, analyzing and interpreting microarray data to study toxicology in human drug and food programs;

- Continued the development of novel computer based predictive tools for the classification and evaluation of chemical toxicity. This toxicoinformatics research is an integrated system of databases, libraries, and analytical to be used in the regulatory review process for chemicals that lack sufficient toxicity data;

- Conducted studies that demonstrate the potential utility of new DNA technology in evaluating the mechanisms by which chemicals exert their toxicity using test methods that sift through and analyze information contained within a set of chromosomes; and,m

- Continued leveraging the Center's limited resources through collaborative efforts to demonstrate the effectiveness of neuroimaging strategies, using non-invasive technology that can be applied both in animal models, and humans, to evaluate various developmental and degenerative dysfunctions including cancer and non-cancer endpoints.

Minority Health

- Developed mechanisms of neurotoxicity studies to identify gene expression profiles associated with aging and mitochondrial dysfunction. Mitochodrial dysfunction is a common mechanism for neurotoxicity;

- Continued collaborative studies to investigate the association between human genetic variations (polymorphisms) and the risk of breast, prostate, and colorectal cancer; and the influence of polymorphisms on rates of chemotherapy toxicity and cancer survival; and

- Continued genomics research that provides new knowledge on the identification of human subpopulations that are more susceptible to effects of chemical carcinogens, and those likely to experience adverse drug reactions or experience decreased therapeutic drug efficacy.

Antimicrobial Resistance

- Continued to conduct studies on whether new strains of antibiotic resistant bacteria arise from animal feed diets containing antimicrobials; the patterns of resistance developing in these animals and differences in survival rates of antimicrobial-resistant pathogens compared to non-resistant pathogens in the environment; and,

- Conducted microbiological experiments that suggest a technique to reduce or eliminate contamination and survival in the agricultural environment of clinically important antimicrobial drugs.

EMPOWERING CONSUMERS FOR BETTER HEALTH

- Continued writing and developing readership for the 'Regulatory Research Perspectives', an online journal with articles of common interest. A recent article on focused the potential unified relationship between (dietary) methyl group insufficiencies and pathologies such as cancer, birth defects, and neurotoxicity. This journal is a vehicle for all FDA scientists to share research advances; and,

- Promoted FDA's outreach program by disbursing information to the public using informational tools including the annual NCTR Research Accomplishments and Plans document, NCTR Web Page, NCTR One-Pager, NCTR Quarter Page, Center-Wide newsletter, community impact flash presentations, and presentations at scientific conferences and symposia.

PATIENT AND CONSUMER PROTECTION

- Conducted genomic studies to determine the role of skin microflora in the metabolism of tattoo dyes. These studies include evaluating the pigment and topically applied colorants by the skin and intestinal microflora for producing chemical that are toxic to humans; and

- Continued advanced proteomic studies to developing a new and more effective identification, prevention and treatment of *staphylococcal* pneumonia.

Dietary Supplements

- Continued studies on how naturally-occurring toxins contained in, or resulting from, natural products used as food additives and biological therapies, may induce birth defects. This research supports the common theory that diet plays a role in the normal growth and development of normal offspring, and interactions between diet and toxicants may be important in producing certain birth defects.

Cosmetics

- Continued studies to measure the effect of cosmetic ingredients on sunlight-induced skin cancer, and the toxicity of tattoo ink ingredients interacting with sunlight, including those used in permanent make up. These studies are conducted in the unique state-of-the-art phototoxicology facilities and are timely, given the large numbers of young Americans receiving tattoos; and

- Began development of an experimental transgenic mouse model to study melanoma of the skin. An important finding concerning this model has been the occurrence of spontaneous ocular melanoma.

Women's Heath

- Continued studies investigating whether the agent genistein (a naturally-occurring plant hormone and dietary supplement) can decrease the induction of carcinogen-caused mutations;

- Continued a collaborative project on investigating the influence of biotin on the developing rat embryo; and

- Conducted experiments on the potential toxicity of the-antiestrogen tamoxifen, a drug being used as a chemoprotective agent against breast cancer.

Drug Safety

- Continued developing and validating new methods that can be used for the identification of potentially hazardous food additives, human and animal drugs, biological therapies and medical devices;

- Evaluated AIDS therapeutic drugs (zidovudine and lamivudine) and the dietary supplement bitter orange regarding their carcinogenicity as well as measuring other endpoints to determine the mechanisms for the adverse effects of the chemicals; and

- Continued studies that measure the neurochemical and behavioral alterations associated with depression risk and Accutane therapy.

Children's Health

- Assessed the potential public health risk associated with the use of anesthetic agents that are known to interact with the neuro-receptor systems of children which has become a growing health concern, particularly as affected in combination with drugs and other environmental agents;

- Conducted collaborative experiments to evaluate ketamine administration and brain growth spurt and rates of nerve ending death; and

- Continued studies that examine the performance on a variety of behavioral tasks that measure complex brain functions in pre-adolescent children diagnosed with major depression.

Nutrition

- Experiments continued on the food contaminant acrylamide, a known animal carcinogen that develops in foods with high starch content and prepared at high temperature, (e.g., potato chips, crackers, cereal, etc.). These investigations emphasize dose-response relationships of toxicity and the development of biomarkers for assessing exposure. Data supports a mechanism how acrylamide becomes a genotoxic carcinogen;

- Continued studies of nutritional folic acid deficiency and tumor progression in newborns; and developed analytical methods for the extraction and determination of chemicals found in dietary supplements and various functional foods; and

- Studied continued on the impact of dietary restrictions and the positive effects for the overall health. These types of studies increase the knowledge of how calories modify the mechanism underlying cancer development in humans and reducing the incidence of these diseases.

PROTECTING THE HOMELAND – COUNTERTERRORISM

- Developed a rapid, reliable, and cost-effective mass spectrometric method to identify pathogenic agents to the strain level. These methods utilize pattern recognition-based methods to differentiate harmless materials from hoax counter terrorism materials;

- Continued collaboration with the ARL to develop microbial isolation procedures that dramatically reduces analysis time of contaminated food;

- Continued methods development to expand the food decomposition gas release methodology to detect explosives in airline cargo; and developed a novel nanoparticle based filter technology to protect the public from chemical and biological contaminants; and

- Continued sharing expertise and laboratory infrastructure to prevent or minimize threats by leveraging the Center's limited resources through a memorandum of agreement with the Arkansas Department of Health.

Program Activity Data

PROGRAM WORKLOAD AND OUTPUTS	FY 2004 Actuals	FY 2005 Estimate	FY 2006 Planning Level
Research Publications	184	200	200
Scientific Presentations	315	315	315
Patents (Industry)	5	5	5
Interagency Agreements	6	5	5
Cooperative Research & Development Agreements	4	7	7
Total Active Research Projects	194	205	205

Performance Goals and FY 2006 Targets

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
1. Use new technologies (toxicoinformatics, proteomics, metabolomics, and genomics) to study the risk associated with how an FDA-regulated compound or product interacts with the human body. (16014)	FY 06: Present one finding utilizing novel technologies to assess changes in genes and pathology, and the relationship between chemical exposure, toxicity and disease.
2. Develop computer-based models and infrastructure to predict the health risk of biologically active products. (16003)	FY 06: Interpret at least one toxicology study at the molecular level utilizing the DNA microarray database (ArrayTrack).
3. Develop risk assessment methods and build biological dose-response models in support of Food Security. (16007)	FY 06: Demonstrate one utility of an oligonucleotide-microarray method as an integrated strategy to respond to antibiotic resistant agents in foodborne pathogens and bioterror agents.
4. Catalogue biomarkers and develop standards to establish risk in a bioterrorism environment. (16012)	FY 06: Present one finding utilizing neuropathology and behavioral risk evaluation in the prediction of human outcome to food-borne toxicants.

FIELD ACTIVITIES - OFFICE OF REGULATORY AFFAIRS (ORA)

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate [/2]	Increase or Decrease
Program Level	**$528,853,000**	**$560,256,000**	**$590,444,000**	**+ $30,188,000**
Total FTE	**3,872**	**3,648**	**3,494**	**- 154**
Budget Authority	**$513,906,000**	**$540,144,000**	**$568,393,000**	**+ $28,249,000**
Food Defense	*$99,654,000*	*$121,425,000*	*$144,177,000*	*+$22,752,000*
Medical Device Review	*N/A*	*N/A*	*$4,200,000*	*+ $4,200,000*
GSA Rent and Other Rent-Related	*$64,416,000*	*$62,526,000*	*$65,001,000*	*+ $2,475,000*
Administrative Efficiencies			*-$715,000*	*-$715,000*
IT Reduction			*-$463,000*	*-$463,000*
Total FTE			*-155*	*-155*
User Fees	**$14,947,000**	**$20,112,000**	**$22,051,000**	**+ $1,939,000**
PDUFA	*$5,808,000*	*$7,506,000*	*$9,056,000*	*+ $1,550,000*
MDUFMA	*$676,000*	*$1,063,000*	*$1,371,000*	*+ $308,000*
MQSA	*$8,463,000*	*$11,543,000*	*$11,624,000*	*+ $81,000*
FTE	**55**	**66**	**67**	**+1**

FOR INFORMATIONAL PURPOSES

Office of Regulatory Affairs (ORA) - Field Activities Estimates [Non Add]				
Foods Program Estimate	*$262,686,000*	*$283,524,000*	*$305,408,000*	*+$21,884,000*
GSA Rent & Rent Related	*$36,655,000*	*$35,890,000*	*$37,290,000*	*+$1,400,000*
Human Drugs Program Estimate	*$81,290,000*	*$80,959,000*	*$80,726,000*	*-$233,000*
GSA Rent & Rent Related	*$12,235,000*	*$11,695,000*	*$12,044,000*	*+$349,000*
Biologics Program Estimate	*$26,089,000*	*$26,222,000*	*$26,145,000*	*-$77,000*
GSA Rent & Rent Related	*$3,932,000*	*$3,770,000*	*$3,907,000*	*+$137,000*
Animal Drugs & Feeds Program Estimate	*$28,928,000*	*$35,194,000*	*$35,194,000*	*0*
GSA Rent & Rent Related	*$4,152,000*	*$4,189,000*	*$4,325,000*	*+$136,000*
Devices & Rad. Health Program Estimate	*$50,497,000*	*$51,719,000*	*$55,919,000*	*+$4,200,000*
GSA Rent & Rent Related	*$7,442,000*	*$6,982,000*	*$7,435,000*	*+453,000*
Total FTE				

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.

[1]Contains budget authority rescission of 0.8 percent.

[2/] The FY 2006 budget authority lines without GSA or Other Rent and Rent Related Activities for ORA Field activities and CDRH total $220,961,000 which meets the second trigger required under the MDUFMA legislation.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$448,031,000	$432,724,000	$15,307,000	3,493
2003 Actual	$471,065,000	$456,148,000	$14,917,000	4,004
2004 Actual	$528,853,000	$513,906,000	$14,947,000	3,872
2005 Enacted	$560,256,000	$540,144,000	$20,112,000	3,648
2006 Estimate	$590,444,000	$568,393,000	$22,051,000	3,494

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET REQUEST

The Office of Regulatory Affairs (ORA), Field Activities is requesting $590,444,000 in program level resources for accomplishing its mission activities including:

- Conducting investigational, inspectional and laboratory functions to ensure that FDA-regulated products comply with the laws and regulations that FDA is charged with enforcing;
- In conjunction with the Centers, identifying the public health risk of violations of the Food, Drug and Cosmetic Act and its implementing regulations so that appropriate action is taken;
- Responding rapidly to emergencies, and redirecting field efforts, as necessary, to respond to unforeseen events;
- Managing and conducting criminal investigations within the Agency's jurisdiction, including advising and assisting the Commissioner and other key officials on legislation and policy involving criminal justice matters;
- Monitoring clinical research and conducting inspections of FDA-regulated products before they are marketed to ensure that manufactured products will be safe and effective;
- Performing field examinations of imported products to determine whether import entries comply with FDA regulations; and,
- Serving as FDA's primary liaison with consumers, health professionals, the media, states, and the regulated industry and trade associations to disseminate information on the products the Agency regulates.

PROGRAM DESCRIPTION

ORA is the lead office for all FDA field activities. Each of FDA's five major program areas has a complementary field component responsible for supporting the Centers' in compliance with FDA regulations. ORA accomplishes this through the inspection of regulated products and manufacturers, conducting sample analysis on regulated products, maintaining import data entry systems, and advising key officials on regulations and compliance-oriented matters that have impact policy development and execution, and long-range program goals.

In FY 2005, ORA's budget will support approximately 3,500 people in the field and 170 people in the Office of Shared Services. Over 85 percent of ORA's staff works in five Regional Offices, 20 District Offices, 13 laboratories, and 150 Resident Posts and Border Stations. The Office of Criminal Investigations (OCI) personnel are located throughout the field organization in Field Offices, Resident Offices and Domiciles, which are located in 25 cities throughout the U.S. FDA maintains offices and staff in the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and in all states except Wyoming. FDA also monitors imported products traveling through 13 international mail facilities and 14 courier ports.

ORA's work involves conducting foreign and domestic premarket and postmarket inspections. Premarket activities can include bioresearch monitoring of clinical research; preapproval inspections and laboratory method validations needed for premarket application decisions; and, inspections of manufacturing facilities to determine if the factory is able to manufacture the product to the specifications stated in the application. To complement these premarket activities, the largest portion of ORA's work involves postmarket inspections of foods, human drugs, biologics, animal drugs and feeds, and medical device manufacturers to assess their compliance with Good Manufacturing Practice and biennial inspection requirements. ORA's radiological health activities include inspecting certified mammography facilities for compliance with the Mammography Quality Standards Act as well as inspecting radiological health products such as lasers, sunlamps, and X-Ray equipment to ensure they are in compliance with performance standards. ORA also monitors and samples imports to ensure the safety of the food supply and medical products.

In addition to overseeing regulated products on a surveillance or "for cause" basis, ORA staff also respond to emergencies and investigates incidents of product tampering and terrorist events or natural disasters that may impact FDA regulated goods.

To complement the regular field force, the OCI investigates instances of criminal activity in FDA-regulated industries.

FDA relies heavily on its postmarket investigation, inspection, and compliance activities to assure the safety and quality of the products it regulates. The Field's role in FDA's Counterterrorism program includes safety and security of the food and feed supply; support of the development and manufacturing of vaccines and medical counter measures; the assessment of drugs and other medical products included in the Strategic

National Stockpile Program; and, participation in and support for exercises and security preparations for public events such as the Olympics and National political conventions. FDA's responsibilities for radiation safety and health give it a role in assessing x-rays used for security screening of packages and other radiation emitting products with medical or Counter Terrorism uses. The Field provides emergency responses to illness and an injury potentially linked to FDA regulated products; and, coordinates its activities with the CDC. In addition, the Field inspections and investigations are essential to human tissue safety; BSE feed contamination prevention; counterfeit drug, infant formula and other product investigations; and, dietary supplement safety enforcement.

The Field coordinates import activities with the Department of Homeland Security's Customs and Border Protection Agency. The number of FDA regulated imported products is increasing exponentially. This would challenge FDA's ability to provide an appropriate response even if security concerns were not taking an ever increasing role. In FY 2006, FDA is projecting a total of 17.8 million import lines. These are 65 percent food products; 8 percent cosmetic products; 2 percent human drugs and biologic products; 2 percent animal drugs and feeds products; and, 23 percent medical device and radiological health product. The Field uses a combination of electronic information technology for risk based screening and staff intensive surveillance; physical examinations; and, laboratory analysis to make import entry decisions.

ORA PERFORMANCE ANALYSIS

During FY 2004, which was the latest completed performance period, ORA successfully achieved or exceeded the targets for all 12 of its FY 2004 performance goals. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

ORA has added two new performance goals to track performance of its Prior Notice Center and efforts to obtain laboratory accreditation for all of 13 laboratories:

- The Prior Notice Center (PNC) uses risk based modeling to identify high-risk food imports based on available intelligence and information gained from Prior-Notice requirements that collectively enable FDA to identify and interdict suspect products. The PNC will effectively supplement existing efforts applied to import exams; and,

- Laboratory accreditation will improve ORA's ability to provide high quality laboratory analysis on product samples, bring international recognition to FDA, and strengthen the laboratories' infrastructure so they may continue to provide excellent work products that are defensible and consistent. Laboratory accreditation will be sought from the American Association for Laboratory Accreditation and from the American Society of Crime Lab Directors for the Forensic Chemistry Center.

Performance Highlights:

Goal Target	Context	Results
Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk.	FDA will continue to focus much of its resources on intensive prior notice import security reviews of products that pose the highest potential bioterrorism risks to the U.S. consumer and market. The Prior Notice Center will receive feedback from import field exams and filer evaluations and begin targeting those individuals that continuously violate the law. They will also target commodities based on immediate and potential threats to the integrity and security of the intact food supply chain.	This is a new goal starting in FY 2005, but the baseline for FY 2004 was 33,111 security reviews.

RATIONALE FOR BUDGET REQUEST

This request, for Budget Authority and User Fees, supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goals.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to the Congress, place the accountability for rental costs within the operating program, and would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into program level requests.

Office of Regulatory Affairs Estimate and Structure Change

This budget also establishes a single budget line item for the Office of Regulatory Affairs (ORA). To help the field program provide services more effectively, especially by providing much needed flexibility to respond shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

Budget Authority

Food Defense: + $22,752,000 and 8 FTE
Funds implement HSPD-9 requiring research and development of new methods for detection, prevention technologies, agent characterization, and dose response relationships for high-consequence agents in the food.

- Establishing a national network known as the Food Emergency Response Network (FERN) to increase analytic surge capacity in the event of terrorist attack by developing adequate laboratory testing capacity for biological, chemical and radiological threats;

- Targeted food defense research efforts, including prevention technologies, methods development, determination of infectious dose for certain agents when ingested with food, and agent characteristics within specified foods; and,

- More effective targeted, risk-based analysis using data from FDA's Prior-Notice system as authorized in the 2002 BT Act.

Medical Device Review + $4,200,000 and 13 FTE
The requested increase in appropriated funding for the CDRH and Field programs will provide the resources needed to allow FDA to reach the required appropriation level for FY 2006 under the Medical Device User Fee and Modernization Act (MDUFMA). This increase in budget authority, coupled with the user fee funds collected for the review of medical device applications, will enable FDA to meet the aggressive Premarket performance goals committed to under the legislation. This increase will help cover the pay increases to maintain the current level of reviewers for the medical device review program and will ensure that FDA continues to meet the third party inspection trigger.

GSA Rent: +$2,475,000
To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested, of which $2,475,000 is for ORA – Field Activities. This increase will help cover inflation on FDA's current GSA leased facilities.

Management Savings: - $1,178,000 and -9 FTE
FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

- **Administrative Efficiencies: -$715,000 and -7 FTE**
  Administrative efficiency savings will total -$1,554,000 and -14 FTE, of which the Office of Regulatory Affairs share is -$715,000.

- **Information Technology Reduction: -$463,000 and –2 FTE**
  IT reductions will total -$5,116,000 and -15 FTE, of which the Office of Regulatory Affairs share is -$463,000 and -2 FTE.

User Fees

Prescription Drug User Fee Act III (PDUFA): + $1,550,000 and + 1 FTE

PDUFA authorized the FDA to collect fees from the pharmaceutical industry to augment appropriations spent on drug review. These fees expand the resources available for the process of reviewing human drug applications including reviewers, information management, space costs, acquisition of fixtures, furniture, equipment and other necessary materials so that safe and effective drug products reach the American public more quickly. The BT Act reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. These amendments are effective for five years and direct FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. The increases will contribute to meeting these mandated directives.

Medical Device User Fee and Modernization Act (MDUFMA): + $308,000

The FY 2006 request for the Devices and Radiological Health program meets the required trigger of $220,961,000 in the Devices and Radiological Health Program, enabling FDA to collect the MDUFMA user fees that supplement the appropriated portion of the medical device review program. The Agency will be able to continue its efforts to improve the quality and timeliness of the medical review process and promote the delivery of new medical technologies to the American public. The MDUFMA User Fees it collects will allow FDA to continue to:

- Promote public health though major improvements in the review of expedited submissions for medical devices;

- Meet MDUFMA's performance goals and achieve the other improvements prescribed by MDUFMA;

- Provide information system improvements and modernization for the device tracking systems, Image system, other essential systems; and,

- Provide training and professional development for employees and contract with outside experts to ensure that the Agency keeps pace with technological change and medical advancements.

Mammography Quality Standards (MQSA): + $81,000

Breast cancer is the most commonly diagnosed cancer and the second leading cause of cancer deaths among American women. Experts estimate that one in eight American women will contract breast cancer during their lifetime. The Mammography Quality Standards Act (MQSA), which was reauthorized in October 2004, addresses the public health need for safe and reliable mammography. The Act required that mammography facilities be certified by October 1994, and inspected annually to ensure compliance with

national quality and safety standards. The reauthorization codified existing certification practices for mammography facilities and laid the groundwork for further study of key issues that include ways to improve physicians' ability to read mammograms and ways to recruit and retain skilled professionals to provide quality mammograms. The increase of $81,000 will cover inflation.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES

Base resources will be used to conduct science-based risk management in all agency regulatory activities, so that limited resources can provide the most health promotion and protection at the least cost for the public. These activities will support:

Information Technology

- ***Field Accomplishments and Compliance Tracking System (FACTS)****:* FACTS is a central data repository for workload management, sample collections, sample analyses, information about FDA regulated firms, investigative operations, and compliance operations. A goal of the FDA is to ensure that field sites are supported by systems that effectively automate the daily activities of FDA personnel. FACTS consists of five major, interrelated functional areas: manage firms, manage miscellaneous operations, manage investigative operations, manage compliance, and manage laboratory operations;

- ***Turbo EIR:*** Field investigators annually conduct approximately 21,000 establishment inspections. A requirement of the inspectional process is to report (in writing) certain types of adverse observations to the management of the inspected firm at the conclusion of the inspection. Turbo EIR will provide a standardized database of citations, and assists the investigator in preparation of the Establishment Inspection Report (EIR), and assists data collection on specific violations uncovered during the inspection. This data is then uploaded to a central database and available for analysis and trending;

- ***Operational & Administrative System Import Support (OASIS):*** OASIS automates the processing of FDA-regulated imports and reduces processing time. Delays in FDA processing of imports significantly increase product storage and interest costs; and degrade the quality of perishable products destined for U.S. consumers. FDA ensures that importers seeking to enter domestic commerce meet the same standards as U.S. manufacturers and growers. FDA evaluates products offered for import, and makes admissibility decisions whether those products meet the applicable provisions of the FFDCA;

- ***On-line Program Analysis System (OPAS):*** OPAS is a data warehouse containing statistical summaries of field activity data for the past 15 years. This data contains information on mostly domestic activities from FACTS and field data systems that preceded FACTS. Its internal data processing stores the information in

multidimensional cubes that can be accessed by field staff that are not skilled in specialized computer query languages. In addition to providing counts of inspections, sample analyses and other field activities, it tracks time and field FTEs for the PDUFA and MQSA user fee programs. This system permits risk based analyses that are timely and consistent. Ultimately, OPAS is designed to be shared with users in ORA and the Centers;

- ***ORA Reporting Analysis and Decision Support System*:** Designed to permit in-depth analyses of import data and to be shared across multiple systems and by users in ORA and the Centers. ORADSS is a repository of ORA data from OASIS that contains several years of data on import lines. This system Ultimately, ORA's data warehouse will contain features of both OPAS and ORADSS so that users can perform risk based analyses that are timely and consistent; and,

- ***Mission Accomplishment and Regulatory Compliance Services (MARCS):*** MARCS is a comprehensive redesign and reengineering of two core mission-critical systems: FACTS and the OASIS. OASIS primarily supports the review and decision-making process of imports, while FACTS supports the investigation, tracking of compliance, and laboratory operations related to domestic operations under FDA purview. Both legacy systems execute on client-server platforms.

Import Entry Evaluations, Investigations, and Laboratory Analyses

Since the emergence of the "global marketplace" imported foods have grown increasingly important to the U.S. food supply. At the current rate of increase, FDA estimates that by FY 2006 the number of imported food lines will have tripled since 1999. This rapid growth combined with the security concerns raised by terrorism and counterfeiting incidents has increased the need to electronically and physically assess the status of imported products. FDA electronically screens imports through OASIS, which is an automated FDA system used for processing and making admissibility determinations for FDA regulated products that are offered for import. Filers transmit information electronically which is then checked against automated screening criteria set by the Division of Import Operations & Policy. These criteria assign either "FDA Review" or "May Proceed" status to an entry. If a product is assigned FDA review status, then a field exam, which is a physical examination of the product to determine whether the product is in compliance with FDA requirements, may be performed. FDA's electronic screening of imports will be enhanced by the completion of MARCS.

Customs Import Blitz Exams on Mail Shipments of Foreign Drugs

FDA and the CBP conducted a series of import blitz exams on mail shipments of foreign drugs intended for U.S. consumers. Exams conducted in April, May, June and July 2004 in Chicago, Buffalo, New York, and Seattle revealed that the majority of the shipments contained unapproved, or otherwise illegal, drugs.

- Review more than 17 million import lines representing for admissibility into domestic commerce by the end of FY 2006;

- Focus analysis of OASIS import line data to expand use of information on manufacturer, supplier, source country, and past violations to make enhanced admissibility decisions;

- Develop rapid analytical methods of screening imports at the border and increase the number of import lines reviewed for admissibility into domestic commerce;

- Continue to conduct inspections of foreign establishments as part of the Foods, Human Drugs, Biologics, Animal Drugs and Feeds, and Devices and Radiological Health programs;

- Perform periodic filer evaluations in which the import data submitted electronically to OASIS is compared against the paper documents accompanying the imported product to ensure that the data being provided to FDA is accurate; and,

- Continue to work with industry to implement the food registration requirements of the BT Act for domestic and foreign food facilities ensuring that FDA has an official roster of foreign and domestic firms allowing timely notification and response in the event of a food safety threat.

Domestic Inspections and Laboratory Analyses

Inspections and surveillance are the primary means of assuring the safety of marketed products. Consumers rely on the FDA to prevent dangerous and unreliable products from entering commerce.

- Identify the food source and contaminant of food borne illness outbreaks ranging from chemical and microbiological, and physical hazards;

- Perform engineering, biological and chemical analysis to prevent the exposure of the public to potentially unsafe or ineffective medical devices, electronic products, radionuclides, and radiopharmaceuticals;

- Develop laboratory analytical methods to permit the analyses of products for chemical and microbiological hazards;

- Continue to analyze food samples for pesticides and environmental contaminants;

- Analyze market baskets of food products to assess the risks of contaminants;

- Conduct bioresearch monitoring inspections to support the drugs, biologics and device programs;

- Continue to fund state contracts, partnerships and grants related in order for FDA to inspect and monitor the food industry frequently enough to ensure application of appropriate preventive controls to ensure a safe, wholesome, and nutritious food supply for compliance and inspection activities;
- Conduct state contract audit inspections to ensure consistent application of regulations during FDA and state inspections of food and animal feed establishments;

- Share data with Federal, state and local partners to protect the food supply through the utilization of the Electronic Laboratory Exchange Network (eLEXNET);

- Provide criminal investigation of reported product tampering, counterfeit products and other fraudulent criminal activities involving regulated products; and,

- Continue surveillance of pharmacy compounding products.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Base resources will be used to better enable consumers to make informed decisions weighing benefits and risks of FDA-regulated products. These activities include:

Health Fraud and Dietary Supplements

The Consumer Health Information for Better Nutrition (CHIBN) initiative is designed to foster two complementary goals concerning the labeling of food and dietary supplements: to encourage makers of conventional foods and dietary supplements to make accurate, science-based claims about the health benefits of their products; and, to help to eliminate bogus labeling claims by taking on those dietary supplement marketers who make false or misleading claims.

Ephedra

Effective April 12th, 2004, FDA banned the manufacture and sale of ephedra, which has been linked to over 150 deaths. The rule, which was the first ban of dietary supplement was published on February 11, 2004 in the Federal Register, declares dietary supplements containing ephedra adulterated because such supplements present an unreasonable risk of illness or injury. Ephedra has been linked to over 150 deaths. It marks the first ban of a dietary supplement.

On December 30, 2003, FDA issued 62 letters to manufacturers notifying them of our intent to publish the rule as well as a consumer alert warning the public of the dangers of ephedra and asking that they stop taking these products immediately. Effective April 12th, FDA stepped up Internet surveillance to determine whether anyone, including the original targeted firms, is continuing to actively promote and sell these products. FDA has already seen progress in its regulatory efforts, as most manufacturers to whom letters were sent ceased selling dietary supplements containing ephedrine alkaloids.

On July 13, 2004, ORA issued an Import Alert allowing for field offices to detain imported dietary supplements consisting of or containing botanical sources of ephedrine alkaloids without physical examination.

The Field will ensure that enforcement activities focus on products with the following marketing strategies. These are: herbal products illegally promoted as alternatives to illicit street drugs; unapproved new drugs containing prosteroids and precursor steroids as dietary supplements; items which are unapproved new drugs marketed as "natural" treatment for viruses, including the herpes virus, and for cold and flu protection; dietary supplements with unsubstantiated structure function claims (examples include treatments for autism, treatments for mental retardation and epilepsy, sports performance enhancement, and aging); and, dietary supplements containing prescription drug ingredients.

Information Technology

- ***Recall Enterprise System (RES):*** The implementation of RES will provide the District and Centers with a centralized, Agency-wide recall database, and will provide the public with access to timely recall information via FDA's homepage, and include information that provides detailed guidance for industry regarding developing and providing the District with background recall information.

PATIENT AND CONSUMER PROTECTION

Base resources will be used to promote improved patient and consumer safety by reducing risks associated with FDA-regulated products. These activities include Medical Product Safety, Premarket Activities, and Bovine Spongiform Encephalopathy (BSE):

Medical Product Safety

FDA believes that roughly half of the deaths and injuries associated with medical errors

can be avoided by fully implementing its strategies. Thousands of lives and billions of dollars can be saved by:

- Providing training for field staff to improve the information gathered through investigation of consumer complaints and reports of medical errors;

- Conducting investigations of reported errors and product recalls so that program managers can collect information needed to assess the error, and develop error reduction strategies with manufacturers and the medical community;

- Inspecting hospital device reprocessors to determine compliance with regulatory requirements; and,

- Reviewing adverse event and complaint files at manufacturers during inspections for compliance with FDA reporting regulations and to conduct follow up inspections on adverse event reports when information from the manufacturer is needed to evaluate the risks involved.

Premarket Activities

To speed the availability of new products to consumers and to the market, the FDA must continue to focus on developing mechanisms to effectively and efficiently complete the review process.

- Improve the quality and timeliness of product reviews by monitoring pre-approval inspections and expanding inspectional expertise in emerging technologies; and,

- Improve the scientific expertise of field investigators by providing training, information technology, and contract support. This training enables the investigators to conduct pre-market inspections that are essential to meeting pre-market review time frames.

Bovine Spongiform Encephalopathy (BSE)

FDA works closely with USDA and State agricultural and veterinary agencies to implement BSE regulations and control imported products that may put the public at risk for BSE contaminants. FDA regulates many products that could contain specified risk materials, including vaccines, cosmetics, animal drugs, and animal feeds, and has established a comprehensive monitoring system to identify products that may pose a health risk and ensure that they do not enter the U.S.

- Provide Federal and state inspectors with up-to-date information on the BSE feed regulation; EU regulatory issues; Animal Plant and Health Inspection Service authority; and best sampling practices;

- Leverage with state agencies by funding contract inspections of feed mills and renderers, and conduct compliance, follow-up, and audit inspections to State contracts;

- Collect and analyze domestic and import feed and feed component samples for BSE-related contaminants to ensure proper labeling of animal feeds and feed components;

- Conduct annual BSE inspections of all known renderers and feed mills processing products containing prohibited material. Any firm found to be in violation of the requirements of the regulation will be reinspected, and other potentially affected firms will be inspected to determine compliance with the regulation;

Bovine Spongiform Encephalopathy (BSE)

The main focus of the BSE-prevention program has been annual inspections of all renderers and feed mills in the U.S .that process with prohibited material. FDA continues to find a very high level of compliance with the 1997 rule that prohibits the inclusion of most animal protein in feeds for cattle and other ruminants. The effectiveness of FDA's surveillance was most recently confirmed by the fact that all of the firms involved in the December 2003, Washington State BSE investigation were found to be in compliance with the FDA rule, and that the agency working with state and industry was able to halt the distribution of all the meat and bone meal from the sick cow.

FDA plans to expand its inspectional efforts by conducting additional inspections of farms, salvage operations, and pet food facilities. Additionally, FDA developed an advanced analytical procedure for detection of prohibited material in animal feed. This novel approach combines light microscopy with polymerase chain reaction to determine and detect DNA from ruminants and non-ruminant mammalian species, providing the necessary scientific evidence to support the ban on such materials in feeds.

- Conduct sampling program for animal feeds domestically and those detained at U.S. ports of entry that contain ingredients possibly derived from contaminated animals;

- Enhance the ability of our public health system to detect prohibited materials in animal feed, FDA will continue to support the development and evaluation of diagnostic tests to identify prohibited materials; and,

- Continue to develop regulations to help prevent the establishment or amplification of BSE in cattle and prevent the potential for development of vCJD in humans. The revisions banned a greater number of materials from FDA-regulated human food, including dietary supplements, and cosmetics, i.e., the use of any materials from "downer" or dead cattle.

Internet Drug Sales

At present, there are an exploding number of new web sites marketing FDA regulated products to the U.S. consumer and medical professionals. FDA currently conducts only minimal levels of web-based oversight.

- Monitor potentially fraudulent Internet sites to identify targets for investigation and sampling of products;

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

- Provide oversight of mail and courier packages entering the U.S. from foreign sources.

RX Depot Agrees in Consent Decree to Cease Importing Unapproved Drugs from Canada

In August 2004, FDA announced the filing of a Consent Decree of Permanent Injunction against Rx Depot, Inc., Rx of Canada, LLC, and individual officers based on violations of the FD&C Act. In this decree, the firms and corporate officers, Carl Moore and David Peoples, admitted liability for causing the importation of unapproved new drugs and "U.S. manufactured" drugs in violation of the Act and agreed to permanently cease such activities.

The defendants caused the illegal importation of prescription drugs from Canada by accepting prescriptions from U.S. customers; sent these to a Canadian pharmacy partner; and, received a commission from the Canadian pharmacy when the pharmacy sent prescription drugs directly to the U.S. customers. "The defendants' illegal importation of drugs posed a significant public health threat," said the FDA Acting Commissioner. "This Consent Decree sends a clear signal that those who would put profit before safety will not be allowed to threaten the public health." The Decree provides FDA with inspection authority to ensure compliance and penalizes the defendants $4,000 per day for violating the Decree.

PROTECTING THE HOMELAND -- COUNTERTERROISM

Base resources will be used to strengthen FDA's capability to identify, prepare for, and respond to terrorist's threats and incidents.

New Regulations under the Bioterrorism Act of 2002

On May 27, 2004, FDA issued the final rule establishing procedures for administrative detention of food under the BT Act. This new authority applies to food for which the agency has credible evidence or information that it presents a threat of serious adverse health consequences or death to humans or animals. This act authorized FDA to administratively detain suspect food, and final regulation clarified FDA's administrative detention procedures and the process for appealing the detention order.

In addition, on December 6, 2004 FDA issued the final regulation of the BT Act. This regulation directs HHS to issue regulations requiring persons who manufacture, process, pack, transport, distribute, receive, hold, or import food to establish and maintain records. These records are crucial for FDA to deal effectively with food-related emergencies by providing FDA with the records to identify the immediate previous source of all food received and immediate subsequent recipient of all food released. These rules are part of the FDA's continuing effort to ensure the safety and security of the nation's food supply.

FDA must have the capacity to quickly and accurately identify and respond to potential terrorist events occurring at any point in the food chain, or in the distribution chain of other FDA-regulated products and take prompt action to mitigate their effects. In the event of an identified threat, FDA will work with other Federal, state, and local agencies to eliminate or contain the hazard, reduce public health risk, and identify those who perpetrated the attack.

The Food Emergency Response Network (FERN)

FERN integrates the nation's food-testing laboratories at the local, state, and Federal levels into a network that is able to respond to emergencies involving biological, chemical, or radiological contamination of food. A FERN Steering Committee consisting of representatives from state agriculture, environmental, public health, and veterinary diagnostic laboratories as well as federal partners from HHS, USDA, Customs, DOD, FBI, EPA, and DHS ensures federal and state interagency participation.

FERN continues to build networks through face-to-face Regional Coordination Center (RCC) meetings attended by representatives from regional federal, public health, agricultural, and veterinary diagnostic laboratories. The first meeting was held in April 2004 and three additional meetings were held in the Northeast RCC in July, Southwest RCC in mid September, and Southeast RCC in late September.

- Strengthen relationships with State partners through the FERN. A national laboratory network that enables FDA to test thousands of food samples within a matter of days if there is a food terrorism event, or a foodborne illness outbreak;

- Fund FERN state Cooperative Agreements for increased laboratory surge capacity and the National Surveillance Sampling Program and operate a National Sampling Surveillance Program using FERN to build the capacity to effectively monitor the food supply;

- Conduct training and proficiency testing of FERN laboratories to assure that these laboratories can achieve consistent testing results;

Electronic Laboratory Exchange Network (eLEXNET) Expansion

FDA continued the development and expansion of eLEXNET, the nation's first seamless data exchange system for food safety testing information. At present, there are 113 laboratories representing 50 states and the District of Columbia that are part of eLEXNET, 79 of which are actively submitting data into this system. eLEXNET serves as a platform for the FERN, which consists of 93 labs. In addition, Canada and Mexico participated in a pilot study which will ultimately contribute to the inclusion and integration of foreign laboratories into eLEXNET. While there are currently no direct linkages between eLEXNET, the LRN and PHIN, eLEXNET is seeking to develop the capability to generate messages according to departmentally recognized standards and OMB's consolidated health informatics initiative. These standards include: health level-7 (HL-7), SNOMED (Systemized Nomenclature of Medicine) and LOINC (Logical Observations Identifiers Names and Codes). This will allow eLEXNET to exchange standardized messages with other federal agencies. Linkage to FDA's Emergency Operations Network has also been identified as an option to be considered.

- Expand the use of eLEXNET which collects lab analytical data on chemical, microbiological, and other contaminants and links federal, state, and other laboratories. This data capture and exchange system provides the necessary infrastructure for an early-warning system that identifies potentially hazardous foods and enables health officials to assess risks and analyze trends;

- Develop effective prevention strategies to "shield" the food supply from terrorist threats, including the capacity for rapid, coordinated responses to a food borne terrorist attack;

National Special Security Events

At the request of the U.S. Secret Service and coordination with the HHS Secretary's Emergency Response Team and FDA's Office of Crisis Management, ORA field staff have provided food safety coverage at several National Special Security Events including the G8 Summit Meeting in Georgia in June 2004, the Democratic National Convention in July 2004, and the Republican National Convention in August 2004. The food safety coverage involved 24/7 coverage of food and beverage deliveries and food safety inspections of all kitchens and sites of service.

- Intensify the review of products offered for import into the US for safety and security issues;

- Expand field laboratory and contract activities to evaluate and develop existing and potential laboratory and field test kits for product contaminants;

- Inspect drug and vaccine manufacturers whose products may be stockpiled as part of the Governments counter terrorism efforts; and,
- Provide training, equipment, facilities, and information technology support to field staff to work on counterterrorism initiatives with a focus on imports.

Commissioning MOU With Customs and Border Protection

On December 3, 2003, FDA and CBP signed a Memorandum of Understanding between that allows FDA to commission CBP officers. These officers will assist FDA with examinations and investigations pursuant to, or based on information obtained under the prior notice requirements (21 U.S.C. 381(m)) and its implementing regulations, at ports or other facilities and locations subject to CBP jurisdiction. As of April 2, 2004, approximately 9,500 CBP officers have been commissioned.

While the requirements for submitting prior notice to FDA were effective beginning December 12, 2003, FDA and CBP elected to focus their resources on education to achieve compliance during the first eight months following the effective date. As such, the numbers of actual examinations and investigations conducted pursuant to the prior notice interim final rule have been minimal and have been handled by FDA personnel.

- ***FDA Unified Registration and Listing System (FURLS):*** FURLS supports the requirements of the BT Act of 2002 as it relates to Food Facility Registration, Drug Facility Registration and Listing, and Prior Notice of Food Shipments into the U. S. FDA began this effort by identifying opportunities for unification between the FDA Drug Facility Registration and Listing requirements with those of the Food Facility Registration Requirements.

- Continue to develop the Food Registration and Prior Notice systems that became operational in the first quarter of FY 2004;

- Collaborate with CBP to monitor the importation of regulated products and follow-up on the status of products refused entry; evaluate the accuracy of information import filers provide to the FDA automated entry review system regarding regulated products offered for entry into domestic commerce; and continue to conduct food import exams of food products offered for import into the country; and,

- Expand import surveillance at international mail facilities and courier hubs;

- ***ORA Enterprise Portal:*** ORA enterprise portal will consolidate all information needed by FDA Import Reviewers in one place, facilitate seamless access to multiple data systems, eliminating multiple logon points in this highly time critical mission.

- ***National Biosurveillance Integration System (NBIS)***: IT Development, specifically adding Health Level-7 (HL-7), the departmentally recognized standard for communication in the health arena, will allow eLEXNET to generate standardized messages and use other government recognized terminologies for health and laboratory information such as SNOMED (Systemized Nomenclature of Medicine) and LOINC (Logical Observations Identifiers Names and Codes).

IMPROVING FDA'S BUSINESS PRACTICES

The strategic goal to Improve FDA's Business Practices uses base resources to ensure a world-class professional work force; to maintain effective and efficient operations; and, adequate resources to accomplish the mission of FDA. With these resources, FDA will continue to utilize ORA-wide Quality Management System (QMS) to enhance the current approach to managing quality work processes and products. It relies on clear, uniform, and accessible criteria for work processes; quality control; and, feedback and system improvement. QMS focuses on the managers' responsibility to manage quality-related systems and is based on internationally accepted quality system standards.

SELECTED 2004 ORA ACCOMPLISHMENTS

COUNTER TERRORISM & FOOD DEFENSE FIELD ACTIVITIES

- National Special Security Events: At the request of the U.S. Secret Service and in coordination with the HHS Secretary's Emergency Response Team and the FDA's Office of Crisis Management, ORA field staff using base resources has provided food safety coverage at several National Special Security Events. The food safety coverage at all events was coordinated by FDA State Programs Directors in cooperation with local/state health departments using base resources. The event includes the G8 Summit Meeting in Georgia in June 2004, the Democratic National Convention in July 2004, and the Republican National Convention in August 2004. The food safety coverage involved 24/7 coverage of food and beverage deliveries and food safety inspections of all kitchens and sites of service. In addition, OCI coordinated efforts with the law enforcement and intelligence communities and deployed Special Agents to staff Operation Centers.

- Electronic Laboratory Exchange Network (eLEXNET): Continued developing and expanding of eLEXNET, the nation's first seamless data exchange system for food safety testing information. At present, there are 113 labs representing 50 states and the District of Columbia that are part of the eLEXNET system, 79 of which are actively submitting data into this system. The eLEXNET system serves FERN which consists of 93 labs. In addition, Canada and Mexico participated in a pilot study which will ultimately contribute to the inclusion and integration of foreign laboratories into eLEXNET.

- Training Course in Mexico: A training course regarding the CARVER + Shock risk assessment tool was delivered in Juriqilla, Mexico to government officials to assist in identifying vulnerabilities and risks that could compromise the safety and security of their food supply.

- FDA Private Laboratory Rule: A FDA Private Laboratory Rule was published in the Federal Register on April 29, 2004 which is intended to help assure the integrity and scientific validity of data and results submitted to FDA. This proposed rule will provide confidence for persons who use sampling services to collect and analyze samples of imported food and will assure that these samples are properly identified, collected, and maintained. In addition, private laboratories that are utilized will be required to use validated or recognized analytical methods, and to submit analytical results directly to FDA.

- Food Emergency Response Network (FERN): The FERN Surveillance assignment was issued on September 8, 2004 to 40 FERN laboratories. This assignment assessed and demonstrated the effectiveness and capabilities of the FERN chemical/microbiological and radiological laboratories and tested the operating mechanisms and protocols of the network. In addition, a short-term surveillance sampling activity was conducted in April of 2004. It included 18 federal (FDA and USDA) and state laboratories collecting and analyzing specific food/analyte combinations. The primary objective of this FERN surveillance activity was to evaluate the current organizational infrastructure and test its communication, coordination and electronic reporting capabilities based on the issuance of two check samples to selected laboratories. FERN also conducted two training courses in August for Real-time PCR and *Bacillus anthraces* and *Salmonella.*

- Emergency Preparedness and Response: ORA staff continues to participate in all emergency exercises coordinated by the Office of Crisis Management. In FY 2004, this included the Radiological Functional Exercise in March 2004, and the Chemical and Biological Functional Exercise in May 2004. The exercises included participation by FDA field and Headquarters offices and included extensive preparation in advance of the exercises by ORA.

- Prior Notice Center (PNC): FDA opened its first 24/7 operation at midnight on December 12, 2003 at the Prior Notice Center which is located at the Department of

Homeland Security-Customs & Border Protection's National Targeting Center. The PNC was established in response to regulations promulgated in conjunction with the Public Health Security and BT Act to prevent food that may be intentionally contaminated with biological, chemical, or radiological agents, or which may pose significant health risks, from entering the U.S. In FY 2004, PNC collaborated with CBP to direct field personnel to hold and examine 20 suspect shipments of imported food; responded to 20,430 inquiries; and conducted 33,111 intensive reviews of PN submissions out of the 6,294,821 PN submissions to the FDA in order to intercept contaminated products before they entered the domestic food supply.

- Mobile Laboratories: Under an interagency agreement with the U.S. Army's Edgewood Chemical Biological Forensic Analytical Center, ORA designed and constructed two mobile chemistry and microbiology laboratories to enhance counterterrorism testing and import food coverage at U.S. ports of entry. Construction has been completed and final preparations are being made for deployment in the first quarter of FY 2005.

- Bioterrorism Act Satellite Training Program: FDA employees and the public viewed the satellite program, "Final Regulations Implementing Title II of the BT Act of 2002: Registration of Food Facilities and Prior Notice of Imported Food Shipments." Viewers gained information on the new regulations and the requirements for registration of food facilities and prior notice of imported food shipments.

- Dissemination of Information: ORA distributed 685,000 copies of the Food Security Preventive Measures Guidance documents to the States and industry during inspections entitled: Importers and Filers; Dairy Farms and Processors; Food Producers, Processors and Transporters; Retail Food Stores and Food Service Establishments; and, Cosmetic Processors. In addition, 182,000 copies of the two documents: "What You Need to Know about PRIOR NOTICE of Imported Food Shipments" and "REGISTRATION of Food Facilities" were distributed to the States and industry. ORA personnel also distributed materials and presented updates on agency initiatives in the area of counterterrorism and food defense at FDA's Regional Retail Food Seminars and at a number of state and regional meetings sponsored by various food protection and environmental health organizations.

- Counter-Terrorism and Law Enforcement Intelligence Capabilities: The Office of Criminal Investigations continued the development, improvement and implementation of national security and law-enforcement intelligence capabilities to assess, deter, counter, and investigate potential acts of terrorism affecting the FDA or products regulated by the Agency. In addition, FDA has established a dedicated Counterterrorism Section within the OCI to combat the likelihood that an FDA regulated product could be used as the vehicle for a terror agent.

- Continuity of Operations Plans (COOP) for ORA: ORA has currently completed 35 compliant Continuity of Operations Plans (COOP) which provide an organized effort to ensure the continuance of essential functions of the ORA across a wide range of

potential emergencies. Five of the plans are located in Headquarters and 30 thought the various ORA field locations. Each COOP plan identifies the essential functions for each District/Resident Post/Office and the pre-identified and trained personnel that perform them. The COOP plan requires members to work at an alternate location if their primary work location is rendered unfit for occupancy.

BOVINE SPONGIFORM ENCEPHALOPATHY (BSE) FIELD ACTIVITIES

- Laboratory Response to BSE: FDA developed an advanced analytical procedure for detection of prohibited material in animal feed. This novel approach combines light microscopy with polymerase chain reaction (PCR) to determine and detect DNA from ruminants and non-ruminant mammalian species, supporting the BSE/Ruminant Feed Ban.

- BSE Surveillance: The main focus the BSE prevention program has been annual inspections of all renderers and feed mills in the U.S. that process with prohibited material. The effectiveness of this surveillance was confirmed when all firms involved in the December 2003 Washington State BSE investigation was found to be in compliance with the FDA rule and that the agency together with state and industry were able to halt the distribution of all the meat and bone meal from a sick cow.

- FACTS BSE WEB Reports: The FACTS BSE WEB produces weekly BSE reports that summarize inspection data for BSE monitoring.

- BSE Training Course: After attending the Molecular and Microscopic Analysis of Feeds for Processed Animal Proteins Course, 20 FDA Regulatory Analysts were able to discuss and prepare samples for PCR analysis to confirm the presence of processed animal proteins.

STATE & OTHER STAKEHOLDERS FIELD COLLABORATION

- Electronic State Access to FACTS (eSAF): The eSAF System that allows states conducting contract inspections to input data directly into FDA's data system will soon add Georgia, Wisconsin and Minnesota to the list of participating states. Currently, Texas, Rhode Island, Washington, Missouri and Massachusetts are actively using eSAF and by the end of FY2005, we anticipate 18 states to be in the program. This Web application saves resources by allowing states to input data, and allows information to be shared more quickly and conveniently among Federal, state and local governments.

- State Contracts Program: ORA awarded 40 contracts for states to conduct over 8,884 food inspections at a cost of $4.9 million; 35 feed manufacturing/BSE contracts for 3,305 inspections at a cost of $1.15 million; 3 tissue residue contracts for 430 inspections at a cost of $165,000; and, 47 MQSA contracts at a cost of $8.262 million.

- 50 State Conference Calls: The 50 State Call continues to be one of the most effective communication tools we have to share critical regulatory information with our state counterparts. Calls were held covering such topics as the registration regulations, egg safety regulations, Food Security and Surveillance Assignment, and foodborne illness risk factors.

- State Grants Program: A total of $151,000 was provided for 22 State Food Safety Task Force grants and $450,000 was provided to 10 State Health Fraud Task Forces this year. These task forces have resulted in the states' adoption of the FDA Food Code; enforcement of food regulations; establishment of dedicated funding for state food programs; and, implementation of health fraud task forces to combat deceptive health products and practices.

- State Partnership Program: The Agency and the States continued to develop new partnerships that have contributed to the exchange of inspection and sampling data and have facilitated the receipt of training and distribution of equipment to the states. To date, FDA has funded 180 partnerships with the states totaling $525,000.

- Mission Accomplishment and Regulatory Compliance System (MARCS): The project team completed the program requirements phase and initiated work on the technical system design. Fourteen workshops were held with field and headquarters experts to develop detailed program requirements.

- Identity and Trust Management System: Completed the ORA Identity and Trust Management System in October 2003. The system provides a high level of trust assurance to meet requirements by field inspectors and investigators. This system provides encryption, secure email, and digital signatures among others. This achieves the requirement for confidentiality, non-repudiation, and integrity of information where appropriate as required by the Federal Information Security Reform Act.

ENFORCEMENT FIELD ACTIVITIES

- Customs Import Blitz Exams: FDA and CBP conducted a series of import blitz exams on mail shipments of foreign drugs to the U.S. The exams were conducted in November 2003 at the international mail facilities in Dallas, Buffalo, Chicago, and Seattle and at the Memphis and Cincinnati courier hubs. An additional Chicago mail exam blitz was held in April 2004. In May 2004, CBP invited FDA to participate in a series of mail exam blitzes nicknamed 'Operation Safeguard.' These operations were scheduled to occur the third week of every month and rotate through most of the International Mail Facilities. These exams were conducted in Buffalo, New York (JFK Airport), Seattle, Chicago, and the Memphis and Louisville courier facilities in April through November 2004. The exams revealed that the majority of the shipments contained unapproved, or otherwise illegal, drugs.

- Alliance Wholesale Distributors/Local Repack Inc. /Phil & Kathy's: On April 8, 2004 Phil and Kathy's Inc. d.b.a. Alliance Wholesale Distributor and/or Local Repack, Inc. of Richton Park, Ill. signed a Consent Decree of Permanent Injunction agreeing to operate in compliance with FDA's regulations. Under this Decree, Phil and Kathy's is prohibited from manufacturing, labeling and distributing any article of drug until it meets certain conditions, the most important of which is the FDA's determination that the firm's repackaging operations comply with cGMPs. The firm also agreed not to repackage any foreign-labeled drugs or drugs that are inconsistent with FDA's standards for approval. The Decree follows a July 9, 2003, seizure of more than 4,500 bottles of prescription drugs that were being repackaged by Local Repack stemming from an investigation of counterfeit Lipitor; as well as a September 15, 2003 seizure of all drug products labeled in a foreign language and/or labeled as repacked by Phil and Kathy's, Inc.

- Kroger Security Office / Ralph's Grocery: On February 27, 2004, OCI was advised by FDA Emergency Operations of a tampering and extortion complaint received from the Kroger Security Office in Cincinnati, Ohio. Kroger's is the parent corporation of Ralph's Grocery store chain in California. On November 30, 2004, David Ian Dickinson, a 43-year old British citizen, was convicted of trying to extort $180,000 from the Ralph's supermarket chain by threatening to place contaminated baby food on store shelves. Dickinson was convicted of violating Title 18, U.S.C. Section 1951 (Interference with Commerce by threats or Violence-Hobbs Act) and Title 18, U.S.C. Section 1365 (Tampering with a Consumer Product). His sentencing is scheduled for February 18, 2005. Dickinson was arrested in March 2004 after sending a package to Ralph's headquarters that contained horseradish contaminated with boric acid, baby food containing glass shards and an infant juice drink laced with hydraulic fluid. A subsequent letter demanded $180,000. There was no evidence that any contaminated products were placed on store shelves.
- Mylan Laboratories, Inc. v. Thomson, (D.C. Cir). On November 30, the Court of Appeals unanimously affirmed the district court's order upholding FDA's letter decisions awarding pediatric exclusivity to ALZA and thereby delaying, by six months, Mylan's entry into the marketplace. Mylan had filed suit in the district court challenging FDA's administrative determination that Mylan's ANDA for a fentanyl patch to treat chronic pain was subject to ALZA's pediatric exclusivity for Duragesic. In January 2003, FDA had granted ALZA pediatric exclusivity. ALZA sued Mylan, and the patent court found ALZA's patent valid and infringed. The court enjoined Mylan from marketing its drug and ordered that the effective date of approval of the ANDA be no earlier than the expiration of ALZA's patent. Because of that decision, FDA converted Mylan's final approval to a tentative approval subject to ALZA's exclusivity. When ALZA's patent expired, FDA then determined that Mylan's ANDA could not be approved until the pediatric exclusivity expired. In affirming the district court, the D.C. Circuit held that FDA's letter decisions may be entitled to the *Chevron* deference because, among other things, the complexity of the statute, FDA's expertise in and care in applying the statute.

- Voluntary Counterfeit Program with PhRMA: Under a program established in April, 2003, member companies of the Pharmaceutical Research and Manufacturers of America agreed to voluntarily report suspected instances of drug counterfeiting to OCI within five working days of determining that there is a reasonable basis to believe that a product has been counterfeited. This formal collaborative agreement has strengthened FDA's ability to assure the safety and effectiveness of drugs used by U.S. consumers; and to target our law enforcement resources more effectively. The reporting program went into effect on May 1, 2003 and to date 35 voluntary counterfeit reports have been submitted to FDA.

- Androstenedione Warning Letters: In March 2004, FDA sent Warning Letters to 23 firms to cease their distribution of products labeled as dietary supplements that contain androstenedione, which is promoted for anabolic effects (building muscles) and for enhancing athletic performance. Androstenedione is a new dietary ingredient for which a premarket safety notification is required. Because no such notification has been submitted by any manufacturer or distributor who received a Warning Letter, these products are adulterated and their marketing is prohibited. On June 3, 2004 ORA issued an Import Alert which allowed field offices to detain imported androstenedione without physical examination.

- Ban on Ephedrine Alkaloid-Containing Dietary Supplements: FDA issued a final rule effective April 12, 2004, prohibiting the sale of dietary supplements containing ephedrine alkaloids because FDA determined they present an unreasonable risk of illness or injury. On July 13, 2004, ORA issued an Import Alert allowing for field offices to detain imported dietary supplements consisting of or containing botanical sources of ephedrine alkaloids without physical examination. Previously, in December 2003, FDA sent letters to more than 60 dietary supplement firms informing them about the impending rule, which was published in the Federal Register on February 11, 2004.
- Internet Storefront Drugs from Canada: On February 18, 2004 FDA issued a Warning Letter to Discount Prescriptions of Canada, Fairmont, WV, a storefront operation facilitating the Internet sale and importation of unapproved prescription drugs from Canada.

- Rx Depot Inc. DOJ and FDA filed an injunction on September 11, 2003, to stop Rx Depot Inc. from causing the importation of prescription drugs from Canada in violation of U.S. law. FDA brought the suit because the storefront chain posed a risk to public health by importing unapproved prescription drugs and drugs that may only be imported by the U.S. manufacturer. Earlier in the year, FDA issued a warning letter to Rx Depot, but the company's response was inadequate. Rx Depot and similar companies have incorrectly stated that FDA condones their activities and that their prescription medications are "FDA approved." On November 6, 2003, Federal U.S. District Court for the Northern District of Oklahoma granted a preliminary injunction to immediately prevent the defendants from importing prescription drugs from Canada, because the importation of such unapproved drugs was a clear violation

of the FD&C Act. The court stated that "unapproved prescription drugs and drugs imported from foreign countries by someone other than the U.S. manufacturer do not have the same assurance of safety and efficacy as drugs regulated by the FDA."

- United States v. Canada Care Drugs, Inc., (S.D.N.Y.). On December 16, U.S. District Judge Charles L. Brieant, issued an Order of Preliminary Injunction against the defendants, ordering them to stop causing the illegal importation of prescription drugs from Canada. In the Order, the Court found that the government was likely to succeed on the merits of its claims that the defendants violated the FDCA by causing the importation of unapproved new drugs and drugs that were originally manufactured in the U.S. The Order preliminarily enjoins the defendants from causing the importation of drugs, receiving commissions from the importation of drugs, and advertising or promoting any importation service. It also gives FDA inspection authority to ensure that the defendants do not continue to violate the FDCA and requires the defendants to send their customers a letter notifying them that their importation business violates the law and that the safety, purity, and efficacy of drugs obtained through the defendants cannot be assured.

- Warnings for Fraudulent Health Claims: FDA sent Warning Letters to 41 firms that marketed over 70 products with fraudulent or unsubstantiated claims to prevent, treat, or cure serious diseases such as cancer, HIV/AIDS, Alzheimer's, SARS, and Parkinson's diseases.

- Information Sharing with the U.S. Federal Securities and Exchange Commission: FDA developed and implemented for the first time streamlined procedures for FDA components to share non-public information with the Securities and Exchange Commission.

- Office of Criminal Investigations Enforcement: Global Agreement Reached in Off-Label Promotion of Drug Neurontin: Warner-Lambert agreed to pay more than $430 million to resolve criminal charges and civil liabilities in connection with its Parke-Davis division's illegal and fraudulent promotion of unapproved uses for Neurontin. Neurontin is approved solely for adjunctive or supplemental anti-seizure use by epilepsy patients.

- OCI Enforcement: Sentencing on Internet Website Selling Prescription Drugs: A defendant who operated the website onlinepillbox.com was sentenced to 37 months incarceration. The website advertised prescription drugs for sale without a physician's prescription.

- OCI Enforcement: Defendants Sentenced for Unlawfully Selling Male Impotence Products: Two defendants were each sentenced to 51 months incarceration for selling unlawful male impotence products through the Internet and mail order companies.

- OCI Enforcement: Internet Training Provided to Foreign Laws Enforcement Officers: The OCI provided a four-day training course on Internet Investigations.

Attendees included law enforcement officers from Singapore, Ireland, Great Britain and Italy.

- OCI Enforcement: Indictment for Internet Distribution of Prescription Drugs: Ten individuals and three companies were indicted for the illegal sale of controlled and prescription drugs over the Internet through a variety of websites including www.get-it-on.com. Customers ordered drugs online, choosing the type, quantity, and dosage without physician review.

- OCI Enforcement: Recovery of Drugs from Latin American Countries: The OCI recovered thousands of suspect prescription pharmaceuticals from several Latin American countries. The suspect pharmaceuticals were allegedly ultimately intended for illegal distribution and sale in the U.S.

INSPECTIONAL, INVESTIGATIONAL, & LABORATORY FIELD ACTIVITIES

- Registration Verification: A pilot program has been established with Canada and Mexico, under the existing information sharing MOUs that involves sharing firm related inspectional and compliance information. This project allows each government to issue up to 10 assignments annually to the receiving government, who will subsequently research, possibly inspect, and provide feedback. Under this pilot all three countries have agreed on a standard reporting format. In addition, FDA has requested and received feedback on three firms from Health Canada.

- Rapid Methods/Test Kits: A contract was renewed with earmark funds provided by Congress to the New Mexico State University to evaluate test kits to determine their suitability in FDA regulatory labs.

- Denver Laboratory Accreditation: The first Field Laboratory (Denver) received third-party accreditation from the American Association for Laboratory Accreditation. Accreditation to the ISO/IEC 17025 standard provides assurance to a laboratory, its peers and industry leaders that the laboratory's processes and procedures are consistent with current best practices in testing.

- Regulatory, Science and Computer Training Courses: Over 2,300 ORA employees attended 56 classroom courses in the regulatory, science, and computer strategic systems areas. These courses were offered in a variety of disciplines that included the use of computers in regulatory activities, emergency response, and data gathering and analysis to better target FDA enforcement strategies and consumer protection efforts.

- Satellite Pharmaceutical GMP Program: The satellite program, "Quality Systems and Risk Based Approaches and Application to FDA's Pharmaceutical Product Quality Regulation," and "The Risk Control Art" delivered to FDA staff brought employees up to date on the Agency's pharmaceutical GMP activities.

- Dispute Resolution: As part of the Pharmaceutical GMP Initiative, ORA established a Pilot Program allowing for the rapid, objective resolution of scientific and technical questions or issues that may arise either during an inspection or as the result of an inspection. This program has been designed to promote integrity, neutrality, consistency, transparency, fairness and scientific soundness in the dispute resolution process.

- Application of the Basics of Inspection/Investigation Initiative: FDA is developing a certification program that could reach over 30,000 state, local and tribal regulators which will result in an equivalency of regulation between FDA and the states, locals, tribal and maintenance/improved uniformity at the local level.

Risk Management

- International Mail Facility and Air Courier SOPs: ORA developed and implemented new Standard Operating Procedures for drug shipments coming through international mail facilities and courier hubs which will streamline operations and promote consistency, and guide risk based enforcement decisions regarding imported drugs.

- Workplanning, Inspections, and Compliance/Enforcement Efforts: FDA initiated a critical, comprehensive review of its practices relative to: planning and prioritizing its inspectional work based upon a risk-based model; conducting inspections as efficiently and as effectively as possible; and achieving compliance with the Act. The progress that is being made reflects FDA's commitment to the consistent adoption of risk management principles. This will result in an inspection and enforcement program that will provide the foundation for a strong, robust agency centered on the protection of the public health.

- Medical Device User Fee Modernization Act (MDUFMA): FDA has established and implemented a precedent and novel third party inspection program as mandated by MDUFMA which will allow accredited persons to inspect qualified medical device manufacturers, thereby helping focus limited inspection resources on higher-risk inspections, and allowing companies to more effectively operate in a global marketplace.

- Pharmaceutical Inspectorate: In conjunction with the Pharmaceutical GMP Initiative, ORA and CDER established a Pharmaceutical Inspectorate, a state of the art, first of its kind inspection cadre consisting of a dedicated, highly trained staff within the FDA Field force which will devote the majority of its time to conducting highly complex or high risk drug inspections. Approximately 80 FDA employees were trained in the Level III Pharmaceutical Inspectorate Certification Program.

FOODS FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY2006 Estimate**
Domestic Food Safety Program Inspections	6,034	3,875	3,680
Imported and Domestic Cheese Program Inspections	654	500	475
Domestic Low Acid Canned Foods/ Acidified Foods Inspections	639	400	400
Domestic Fish & Fishery Products (HACCP) Inspections	2,887	3,120	2960
Import (Seafood Program Including HACCP) Inspections	657	500	455
Juice HACCP Inspection Program (HACCP)	550	375	355
Interstate Travel Sanitation (ITS) Inspections	1,432	1,790	1,700
State Contract Food Safety (Non HACCP) Inspections	6,674	8,130	8,130
State Contract Domestic Seafood HACCP Inspections	914	1,135	1,135
State Contract Juice HAACP	37	35	35
State Partnership Inspections	1,398	2,000	2,000
Total FDA and State Contract Inspections	**21,876**	**21,860**	**21,325**
State Contract and Grant Foods Funding	$5,729,500	$6,825,000	$7,081,000
FERN State Cooperative Agreements	$300,000	$9,920,000	$22,920,000
Total State Funding	**$6,029,500**	**$16,745,000**	**$30,001,000**
Domestic Field Exams/Tests	3,087	5,000	4,750
Domestic Laboratory Samples Analyzed	14,970	15,460	14,685
All Foreign Inspections	153	200	190
Import Field Exams/Tests	89,282	60,000	60,000
Import Laboratory Samples Analyzed	24,480	33,185	33,185
Import Physical Exam Subtotal	113,762	112,185	93,185
Import Line Decisions	7,503,917	9,300,000	11,500,000
Percent of Import Lines Physically Examined	1.52%	1.21%	0.81%
Prior Notice Security Import Reviews (Bioterrorism Act mandate)	33,111	38,000	38,000

COSMETICS FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY2006 Estimate**
All Inspections	118	100	95
PROGRAM OUTPUTS-			
IMPORT/FOREIGN INSPECTIONS			
Import Field Exams/Tests	3,822	2,000	2,000
Import Laboratory Samples Analyzed	268	200	200
Import Physical Exam Subtotal	4,090	2,200	2,200
Import Lines	939,893	1,200,000	1,400,000
Percent of Import Lines Physically Examined	0.44%	0.18%	0.16%

DRUGS FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY2006 Estimate**
Pre-Approval Inspections (NDA)	189	140	130
Pre-Approval Inspections (ANDA)	79	175	165
Bioresearch Monitoring Program Inspections	596	580	550
Drug Processing (GMP) Program Inspections	1,232	1,430	1,355
Compressed Medical Gas Manufacturers Inspections	176	150	140
Adverse Drug Events Project Inspections	78	100	95
OTC Monograph Project Inspections	12	30	28
Health Fraud Project Inspections	37	50	45
State Partnership Inspections: Compressed Medical Gas Manufacturers Inspections	93	110	110
State Partnership Inspections: GMP Inspections	53	50	50
Total FDA and State Partnership Inspections	**2,545**	**2,815**	**2,668**
Domestic Laboratory Samples Analyzed	1,884	2,160	2,050
PROGRAM OUTPUTS-			
IMPORT/FOREIGN INSPECTIONS			
Foreign Pre-Approval Inspections (NDA)	151	155	150
Foreign Pre-Approval Inspections (ANDA)	87	75	70
Foreign Bioresearch Monitoring Program Inspections	105	65	60
Foreign Drug Processing (GMP) Program Inspections	200	195	185
Foreign Adverse Drug Events Project Inspections	11	25	20
Total Foreign FDA Inspections	**554**	**515**	**485**
Import Field Exams/Tests	5,225	4,495	4,495
Import Laboratory Samples Analyzed	141	355	355
Import Physical Exam Subtotal	5,366	4,850	4,850
Import Lines	220,354	270,000	340,000
Percent of Import Lines Physically Examined	2.44%	1.80%	1.43%

BIOLOGICS FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY 2006 Estimate**
Bioresearch Monitoring Program Inspections [1]	101	145	135
Blood Bank Inspections	1,303	1,175	1,120
Source Plasma Inspections	215	190	180
Pre-License, Pre-Approval (Pre-Market) Inspections	8	10	9
GMP Inspections	37	40	35
GMP (Device) Inspections	12	45	40
Human Tissue Inspections	284	365	345
Total Domestic Inspections	**1,960**	**1,970**	**1,864**
PROGRAM OUTPUTS-			
IMPORT/FOREIGN INSPECTIONS			
Blood Bank Inspections	0	20	20
Pre-License Inspections	1	0	0
GMP Inspections	15	15	14
Total Foreign FDA Inspections	**16**	**35**	**34**
Import Field Exams/Tests [1]	138	100	100
Import Lines	36,071	45,000	55,000
Percent of Import Lines Physically Examined	0.38%	0.22%	0.18%

Note:

1. Includes MedWatch, Foreign reports, and VAERs reports.

ANIMAL DRUGS & FEEDS FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY2006 Estimate**
Pre-Approval /BIMO Inspections	74	150	150
Drug Process and New ADF Program Inspections	255	220	220
BSE Inspections	2,395	3,760	3,526
Feed Contaminant Inspections	22	60	60
Illegal Tissue Residue Program Inspections	318	225	225
Feed Manufacturing Program Inspections	416	255	255
State Contract Inspections: BSE	3,416	4,100	4,920
State Contract Inspections: Feed Manufacturers	396	360	360
State Contract Inspections: Illegal Tissue Residue	365	660	660
State Partnership Inspections: BSE and Other	993	900	900
Total FDA and State Contract Inspections	**8,650**	**10,690**	**11,276**
State Animal Drugs/Feeds Funding	$1,156,300	$1,300,000	$1,731,000
BSE Grant Increase		$3,000,000	$3,000,000
State Contract for Tissue Residue	$170,700	$220,000	$220,000
Total State Funding	**$1,327,000**	**$4,520,000**	**$4,951,000**
Domestic Laboratory Samples Analyzed	1,999	1,790	1,700
PROGRAM OUTPUTS-			
IMPORT/FOREIGN INSPECTIONS			
Foreign Pre-Approval/Bioresearch Monitoring Program Inspections	36	50	45
Foreign Drug Processing and New ADF Program Inspections	10	10	10
Total Foreign FDA Inspections	**46**	**60**	**55**
Import Field Exams/Tests	5,931	5000	5000
Import Laboratory Samples Analyzed	768	1075	1025
Import Physical Exam Subtotal	6,699	6,075	6,025
Import Lines	191,764	238,000	295,000
Percent of Import Lines Physically Examined	3.49%	2.55%	2.04%

DEVICES FIELD PROGRAM OUTPUTS- DOMESTIC INSPECTIONS	**FY 2004 Actuals**	**FY 2005 Estimate**	**FY 2006 Estimate**
Bioresearch Monitoring Program Inspections	349	280	280
Pre-Approval Inspections	69	100	100
Post-Market Audit Inspections	69	70	70
GMP Inspections (Levels I, II, III and Accredited Persons)	1,573	1,600	1,600
Total Domestic Inspections: Non MQSA	**2,060**	**2,065**	**2,065**
Inspections (MQSA) FDA Domestic (non-VHA)	352	370	370
Inspections (MQSA) FDA Domestic (VHA)	32	35	35
Inspections (MQSA) by State Contract	7,903	7,735	7,735
Inspections (MQSA) by State non-Contract	530	545	545
Total Domestic MQSA	**8,817**	**8,685**	**8,685**
State Contract Devices Funding	$1,350,000	$1,350,000	$1,350,000
State Contract Mammography Funding	$9,888,000	$9,800,000	$9,800,000
Total State Funding	**$11,238,000**	**$11,150,000**	**$11,150,000**
Domestic Radiological Health Inspections	119	185	185
Domestic Field Exams/Tests	1,007	1,390	1,390
Domestic Laboratory Samples Analyzed	176	220	220
PROGRAM OUTPUTS-			
IMPORT/FOREIGN INSPECTIONS			
Foreign Bioresearch Monitoring Inspections	5	15	15
Foreign Pre-Approval Inspections	26	60	60
Foreign Post-Market Audit Inspections	29	30	30
Foreign GMP Inspections	293	160	160
Foreign MQSA Inspections	14	15	15
Foreign Radiological Health Inspections	24	25	25
Total Foreign FDA Inspections	**391**	**305**	**305**
Import Field Exams/Tests	5,187	5,000	5,000
Import Laboratory Samples Analyzed	1,266	1,470	1,470
Import Physical Exam Subtotal	6,453	6,470	6,470
Import Lines	2,724,349	3,400,000	4,200,000
Percent of Import Lines Physically Examined	0.24%	0.19%	0.15%

PERFORMANCE GOALS AND TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk.	FY 06: 38,000 reviews
Perform 60,000 import food field exams on products with suspect histories. (11036)	FY06: 60,000 exams
Perform at least 1,000 Filer Evaluations under new procedures. (19015)	FY 06: 1,000 Filer Evaluations
Conduct 2,000 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA are being exported. (19016)	FY 06: 2,000 examinations
Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities to reduce health risks associated with food, cosmetics and dietary supplements products. (11020)	FY 06: Inspect 95% of estimated 6800 high-risk domestic food establishments once every year.
Increase federal/state/local involvement in FDA's eLEXNET system by having 105 laboratories participate in the system. (19013)	FY 06: 105 laboratories
Increase risk-based compliance and enforcement activities to ensure product quality (12020) ***Formerly: Inspect 55% of registered high-risk human drug manufacturers.***	FY 06: Inspect 65% of the establishments identified as high-risk.

Performance Goals	Targets
Meet the biennial inspection statutory requirement by inspecting 50% of the approximately 2,600 registered blood banks, source plasma operations and biologics manufacturing establishments to reduce the risk of product contamination. (13012)	FY 06: 50% of approximately 2,600 establishments
Ensure the safety of marketed animal drugs and animal feeds by conducting appropriate and effective surveillance and monitoring activities. (14009)	FY 06: 1. Maintain biennial inspection coverage by inspecting 50% of 1,390 registered animal drug and feed establishments. 2. Conduct targeted BSE inspections of 100% of all known renderers and feed mills processing products containing prohibited material.
Conduct 295 domestic and foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations. (15025)	FY 06: 295
Utilize Risk management to target inspection coverage for Class II and Class Ill domestic medical device manufacturers at 20% of an estimated 5,540 firms. (15005.01)	FY 06: 20%
Utilize Risk management to target inspection coverage for Class II and Class Ill foreign medical device manufacturers at 7% of an estimated 2,500 firms. (15005.02)	FY 06: 7%
Establish and maintain a quality system in the ORA Field Labs which meets the requirements of ISO 17025 (American Society for Crime Lab Directors for the Forensic Chemistry Center) and obtain accreditation by an internationally recognized accrediting body (American Association for Laboratory Accreditation).	FY 06: Achieve and maintain accreditation for 13 laboratories

OTHER ACTIVITIES

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$114,296,000**	**$124,349,000**	**$126,944,000**	**+$2,595,000**
Total FTE	*709*	*769*	*763*	*-6*
Budget Authority	**$98,597,000**	**$94,528,000**	**$94,708,000**	**+$180,000**
Food Defense	*N/A*	*$1,488,000*	*$2,988,000*	*+$1,500,000*
GSA Rent & Rent Related	*$8,422,000*	*$7,296,000*	*$7,446,000*	*+$150,000*
Administrative Efficiencies	*N/A*	*N/A*	*N/A*	*-$120,000*
IT Reduction	*N/A*	*N/A*	*N/A*	*-$1,350,000*
Total FTE	*575*	*597*	*583*	*-14*
User Fees	**$15,699,000**	**$29,821,000**	**$32,236,000**	**+$2,415,000**
PDUFA	*$14,204,000*	*$24,978,000*	*$26,386,000*	*+$1,408,000*
MDUFMA	*$1,281,000*	*$4,394,000*	*$4,889,000*	*+$495,000*
ADUFA	*N/A*	*$247,000*	*$749,000*	*+$502,000*
MQSA	*$214,000*	*$202,000*	*$212,000*	*+$10,000*
Total FTE	*134*	*172*	*180*	*+8*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fee	Program Level FTE
2002 Actual [1/]	$94,086,000	$82,003,000	$12,083,000	788
2003 Actual	$107,675,000	$84,685,000	$22,990,000	813
2004 Actual	$114,296,000	$98,597,000	$15,699,000	709
2005 Enacted	$124,349,000	$94,528,000	$29,821,000	769
2006 Estimate	$126,944,000	$94,708,000	$32,236,000	763

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.

STATEMENT OF BUDGET

The Other Activities program is requesting $126,944,000 in program level resources for accomplishing its mission activities including:

- Providing centralized program direction and management services for agency programs to ensure FDA's public health hazard prevention efforts are effectively managed within its regulatory framework;

- Providing management expertise and direction to support standards development for regulated products to effectively serve consumers and our industry stakeholders;

- Developing agency-wide policy in legislation, consumer communications, public information, scientific coordination and regulatory requirements; and,

- Providing direction in the management of financial, human and information systems resources, knowledge management and other critical infrastructure needs in support of our science-based work.

PROGRAM DESCRIPTION

Through the Office of the Commissioner and the Office of Management, Other Activities provides agency-wide program direction and administrative services to ensure that FDA's consumer protection efforts are effectively managed and that available resources are put to the most efficient use.

The Office of the Commissioner consists of nine subordinate offices (including the Office of Management described below) that provide policy making, program direction, coordination and liaison, and expert advice to agency leadership and programs. These offices address emergency preparedness and crisis management; external relations with the public and various constituencies; legislation and program support to FDA's congressional authorizing committees; science and health coordination; international collaboration with foreign government and multi-governmental organizations; legal guidance; equal employment opportunity and diversity management; and management services. See table below for office's description.

OC Office	Description
Office of the Chief Counsel	Provides expert legal advice and review on statutory and regulatory interpretations affecting FDA enforcement and administrative actions.
Office of Crisis Management	Serves as FDA's focal point for coordinating emergency and crisis response activities, counter terrorism activities, interagency and intra-agency coordination of emergency and crisis planning and management, and internal and external security.
Office of Planning and Policy	Provides advice and assistance in policy development and oversees FDA rulemaking; serves as focal point for coordinating agency strategic, performance and business-process planning and evaluation; ensures that internal and external stakeholders clearly understand FDA's challenges, achievements, and future directions.
Office of Legislation	Coordinates FDA's response to authorizing committees' requests, reviews proposed legislation, prepare agency testimony and facilities clearance by the Department and OMB.
Office of External Relations	Advises FDA leadership on activities and issues affecting FDA programs, projects, and strategies impacting on various constituencies – including the public, consumer groups, industry and trade association, stakeholders, and governmental bodies.
Office of Science and Health Coordination	Advises key officials on scientific issues that impact policy, direction, and long-range goals; coordinates the responsibilities for women's health issues and good clinical practices program; and administers the combination products and orphan product development programs.
Office of International Affairs and Strategic Initiatives	Advises FDA leadership on international activities including the coordination of the international conference on harmonization and World Health Organization functions; and fosters the development of and administers mutual recognition agreements and other policy documents with foreign countries and multi-national governmental organizations.
Office of Equal Employment Opportunity and Diversity Management	Advises and assists key officials on equal employment opportunity (EEO) and Civil Rights activities; develops, implements, and monitors the FDA's Affirmative Employment Plan and directs the Affirmative Employment Program; develops labor-management partnerships on EEO matters; and develops and oversees diversity initiatives.

The Office of Management (OM) provides a variety of administrative and program support services. OM assures strategic and operational management of information technology, financial management expertise, and administrative support services to FDA employees.

OM manages FDA's budget development as well as provides overall financial management accountability – including the creation of the annual financial report (see picture). OM also supports the Department in establishing a Unified Financial Management System (UFMS), with the goals of reducing costs, mitigating security risks, and providing timely and accurate information across DHHS. OM leads FDA's charge to implement the President's Management Agenda.

OM improved FDA's information technology program by consolidating various functions into a newly re-invigorated office of the chief information officer (OCIO), which provides strategic direction for IT resources focused on accomplishing FDA's mission and strategic goals.

Several OM functions are now being managed by a shared services organization that provides customized administrative and information technology services on cost-reimbursable basis to FDA components. The Office of Shared Services (OSS) operates within a portfolio of services that is aligned with customer's needs for transactional services, products and information, and

specialized services to fit specific customer segments. OSS uses multiple measuring techniques to ensure FDA employees are well served.

OM is working with the GSA in constructing FDA's headquarters consolidated campus at the Federal Research Center in White Oak, Maryland. In December 2003, the Life Science Building was dedicated. A picture of this building, which currently houses about 125 CDER review staff, is shown at the left. Construction of the CDER Office building is near completion. More than 1,700 employees are scheduled to occupy the building in the Spring / Summer 2005. Additionally, construction is underway on the Central Shared Use I building, which completed, this building will provide employees and visitors with a cafeteria, conference and training center, credit union, fitness center, health unit, central library, and recreation and welfare store, along with housing the agency security command center, center data center, and NTEU offices.

PERFORMANCE ANALYSIS

During the latest completed performance period, (FY 2004), the Other Activities Program met the targets for nine out of the ten performance goals, and expects to meet the last goal once actual data is available in March 2005. For more detailed explanation of these goals and results, please see their respective section contained in the Detail of Performance Analysis under the Supporting Information tab.

The FDA supports the Department in establishing a unified financial management system. The goal of UFMS project is to reduce costs, mitigate security risks, and provide timely and accurate information across DHHS. Implementing a new financial system will provide qualitative and quantitative benefits to FDA because it will achieve improved business processes and provide more accurate and timely information to better support FDA's and DHHS' mission.

Performance Highlight:

Goal Target Goal Target	Context	Results
FDA's implementation of HHS's Unified Financial Management System	FDA is complying with the department's goal to establish a unified financial management system. Specifically, the Department plans to use two financial systems covering CMS and its contractors and the other one covering the rest of the Department.	Major components of data cleanup have been completed. Travel manager implementation has been completed throughout the Agency in preparation for UFMS.

In addition to accomplishing this performance commitment, the Program achieved success in the following areas that are highlighted below:

FDA / Departmental Initiatives:

- *Reducing Obesity Strategy* – In March 2004, Secretary Thompson released a FDA report outlining another element in HHS' comprehensive strategy for combating the epidemic of obesity that threatens the health of millions of Americans with a focus on the message, "calories count." The report includes recommendations to strengthen food labeling, to educate consumers about maintaining a healthy diet and weight and to encourage restaurants to provide calorie and nutrition information;
- *Challenge and Opportunity on the Critical Path to New Medical Products* -- FDA issued a major report identifying both the problems and potential solutions foster medical product development. The critical path outlines the crucial steps that determine whether and how quickly a medical discovery becomes a reliable medical treatment for patients; and,

- The May – June 2004 issue of the FDA Consumer Magazine reported on efforts of FDA and USDA to deal with the incident of mad cow disease that occurred in December 2003. The article entitled, "Agencies Work to Corral Mad Cow Disease," describes the government's reaction to the nation's first diagnosed case of BSE. This and other topical news are presented in the FDA Consumer several times a year to the public.

FDA Launches Web Sites on Heart Health and Drugs

Two new FDA Web sites offer valuable information for consumers about how to get heart-healthy and what drugs are approved for various medical conditions.

- FDA Heart Health Online contains reliable information about products used to prevent, diagnose, and treat heart disease; and
- Drugs@FDA is designed to help consumers and health professionals find information about approved drugs more quickly and efficiently. It is an exhaustive, searchable catalog of approved prescription and over-the-counter drugs and some discontinued drugs.

RATIONALE FOR BUDGET REQUEST

This request for Budget Authority and User Fees supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources and selected FY 2004 accomplishments by strategic goal.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change
To provide increased flexibility, eliminate the need for the many reprogramming requests to Congress, place accountability for rental costs within the operating program, and better reflect the total cost of each program, this budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into Other Activities program level request.

Budget Authority

Food Defense: +$1,500,000 and +2 FTE
The increase continues funding for the Emergency Operations Network (EON) project, which plays a crucial role in strengthening FDA's capability to identify, prepare for, and respond to terrorist threats and incidents. The project's goals and objectives align with this strategy by facilitating the combination of multiple data streams from other electronic systems such as FERN, eLEXNET, EPI-X, and from FDA laboratories/investigators and external agencies to be presented in a coherent fashion during critical decision points. This will create a safety net that significantly reduces the probability that terrorist will achieve their aims and minimizes the impact of these threats if they occur; and improves the Agency's emergency preparedness and response time in the event of a terrorist attack. In FY 2006, a total of $1.5 million in new budget authority is requested for the EON.

GSA Rent: + $150,000
To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested, of which $150,000 is for Other Activities.

Management Savings: -$1,470,000 and -3 FTE
FDA will reduce spending on administrative and IT activities. Specifically, these reductions are:

- **Administrative Efficiencies: -$120,000**
  Administrative efficiency savings will total -$1,554,000 and -15 FTE, of which the Other Activities share is -$120,000.

- **Information Technology Reduction: -$1,350,000 and -3 FTE**
  IT reductions will total -$5,116,000 and -15 FTE, of which the Other Activities share is -$1,350,000 and -3 FTE.

User Fees

Prescription Drug User Fee Act (PDUFA): + $1,408,000 and +4 FTE

The PDUFA authorized the FDA to collect fees from the pharmaceutical industry to augment appropriations spent on drug review. The BT Act of 2002 reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. These amendments are effective for five years and direct FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. This increase will cover the inflationary costs of the Other Activities portion of the fees.

Medical Device User Fee and Modernization Act (MDUFMA): + $495,000

Sound, risk based review processes are imperative to ensure that medical devices on the market are safe and effective. To strengthen FDA's medical device review process MDUFMA was authorized in FY 2002 as multi-year effort to improve the quality and timeliness of the medical device review process. This legislation authorizes the collection of user fees for the review of medical device applications from those who submit premarket applications, certain supplements to those applications, and premarket notifications. This increase will cover the inflationary costs of the Other Activities portion of the user fees.

Animal Drug User Fee Act (ADUFA): + $502,000 and +4 FTE

Safe and effective animal drugs allow food animal producers to maintain healthy animals, and help ensure that resulting food products will be safe, wholesome, and free of drug residue, and that companion, service animals that assist the disabled, and other animals such as zoo animals will live healthier and longer lives. The ADUFA program, under which new animal drug applicants, sponsors, and manufacturers incur a fee to expedite their applications, will help provide a cost-efficient, high-quality performance-driven review process. Modeled after PDUFA, this fee has strong industry support and provides a complementary set of incentives to all stakeholders. The increase will cover inflationary costs for staff associated with the implementation of ADUFA.

Mammography Quality Standards Act (MQSA): + $10,000
Breast cancer is the most commonly diagnosed cancer and the second leading cause of cancer deaths among American women. Experts estimate that one in eight American women will contract breast cancer during their lifetime. The Mammography Quality Standards Act (MQSA), which was reauthorized in October 2004, addresses the public health need for safe and reliable mammography. The Act required that mammography facilities be certified by October 1994, and inspected annually to ensure compliance with national quality and safety standards. The reauthorization codified existing certification practices for mammography facilities and laid the groundwork for further study of key issues that include ways to improve physicians' ability to read mammograms and ways to recruit and retain skilled professionals to provide quality mammograms. The increase of $10,000 will cover inflation.

JUSTIFICATION OF BASE

USING RISK-BASED MANAGEMENT PRACTICES
Base resources will be used to conduct science-based risk management in all agency regulatory activities; so that the agency's limited resources can provide the most health promotion and protection at the least cost for the public.

Bovine Spongiform Encephalopathy (BSE) and Other Transmissible Spongiform Encephalopathies (TSE)
FDA works closely with the USDA, Customs, in the Department of Homeland Security (DHS) and state agricultural and veterinary agencies on the implementation of BSE regulations and controlling imported products. FDA supports the department-wide action plan outlining new steps to improve scientific understanding of BSE, commonly known as "mad cow disease," and other TSE diseases, (e.g., CWD). These activities include:

- Upgrade equipment in the Office of Crisis Management's Emergency Operations Center (EOC) , including further integration of communications systems and purchasing additional software to better manage a potential or actual BSE incident;

- Implement a management system to ensure collaboration and development of geographic information, including geocoding of all firms being inspected for BSE; and,

- Provide equipment to facilitate operations during activation of the EOC, around the clock coverage.

International Activities
FDA provides leadership, management and coordination for all of its activities with foreign governments. These activities cover a wide variety of public health issues that pertain to all of the products FDA regulates, including human and animal food and drugs, human biologics, and human medical devices. These activities include:

- Direct the development and implementation of agency-wide strategies for FDA-supported international harmonization programs and managing FDA's submissions for U.S. policy development;

- Advance FDA's position on critical public health matters in international negotiations including the trade negotiations under the World Trade Organization and numerous free trade agreements under the auspices of the Office of the U.S. Trade Representative;

- Direct and manage the development of agency policy on critical international activities including the sharing of information with foreign governments that used to support FDA's import program and export policy. Activities in this area include work with foreign governments to facilitate the communication and cooperation in the event of emergencies, such as BSE, or acts of terrorism;

- Support the implementation of the Mutual Recognition Agreement and Veterinary Equivalence Agreement with the European Union, which will help FDA undertake a risk-based approach to leveraging our resources with those of competent counterpart agencies in other parts of the world so FDA can focus its resources on areas that are determined to present the greater risk to U.S. public health;

- Manage FDA risk management initiatives with foreign governments concerning compliance problems with foreign products, for example, violations of FDA requirements, and food and drug safety issues;

- Conduct cross-cutting agency technical assistance activities to leverage resources for training foreign regulatory scientists to improve the safety and quality of FDA-regulated products exported to the U.S., and,

- Supplement FDA's regulatory enforcement activities by directing and managing international agreements with foreign governments. This includes, assessing the efficacy of bilateral and multilateral agreements, and work with the Department of State, USTR, and other Federal agencies to negotiate additional agreements.

EMPOWERING CONSUMERS FOR BETTER HEALTH

Resources will be used to better enable consumers to make informed decisions weighing benefits and risks of FDA-regulated products. These activities include:

- Develop an FDA-wide consumer communication infrastructure and implement a consumer-media outreach strategy that is designed to help both consumers and patients understand how to live better, healthier lives;

- Create and leverage external collaborations with healthcare providers, and public and private healthcare organizations and institutions to increase both the reach and consistency of the FDA's "Better Informed Consumer" message; and,

- Seek out speaking opportunities for FDA to communicate directly with diverse consumer segments. This will be done in collaboration with the agency's Public Affairs Specialists as well as the Office of Special Health Issues, and the Office for Public Affairs.

Education and Outreach

FDA develops regulatory-based action plans across its different product centers in collaboration with other agencies in areas with great threat to public health, such as antimicrobial resistance and BSE, and ensures these actions are successfully implemented across the FDA.

PATIENT AND CONSUMER PROTECTION

FDA has a unique opportunity to develop more direct access to databases that will allow us to rapidly assess risks and improve the safety of medical products. Important information about FDA-regulated products also needs to be made readily available to health care professionals to facilitate the safe use of medical products.

- FDA will develop and foster collaborative efforts with private and public health care systems to create interactive data systems for identification of medical product risks in real-time and will work with other agencies in HHS and standards development organizations to develop standards for communication of safety information; and,

- FDA will work with the National Library of Medicine to set up a new way to distribute up-to-date and comprehensive medication information in a computerized format for use in health care information systems;

Pediatric Therapeutics

The Best Pharmaceuticals for Children Act directed HHS to establish an Office of Pediatric Therapeutics within FDA's Office of the Commissioner. The Pediatric Research Equity Act of 2003 gave FDA the authority to require pediatric studies and establish a Pediatric Advisory Committee. The Office of Pediatric Therapeutics has five areas of responsibility: pediatric ethics, safety oversight, agency-wide scientific coordination, external communications, and the Pediatric Advisory Committee. Office activities include:

- Enhancing the ethical conduct and quality of pediatric clinical trials by participating in, advising on, and developing procedures for the pediatric aspects of clinical trial oversight in conjunction with other relevant FDA entities;

- Assuring ethical pediatric research and child subject protection across all FDA centers by developing pediatric ethics guidance, educational materials and course design; educating FDA staff; providing pediatric ethics consultation; and overseeing ethical issues for studies requested by FDA for on-and off-patent drug products;

- Reviewing, evaluate and advise on Subpart D (additional protections for children) referrals from Institutional Review Boards. In collaboration with the HHS Office of Human Research Protection, coordinate the public discussion and development of a recommendation for these referrals by the Pediatric Ethics Working Group and the Pediatric Advisory Committee;

- Conducting an ethical review of all written requests developed for off-patent drugs which will then be contracted by the NIH and provide a focused ethical review of written requests for on-patent products eligible for pediatric exclusivity;

- Oversee the safety of all drugs granted pediatric exclusivity by tracking reported adverse events, informing the Pediatric Advisory Committee about them 2-3 times a year, and seeking Committee advice about management of newly identified pediatric safety issues;

- Develop cross-cutting pediatric scientific issues and coordinate activities pertaining to the pediatric population across all FDA product Centers;

- Enhance communication of pediatric issues and new pediatric information for FDA regulated products with consumers, advocacy groups, and healthcare providers (see Empowering Consumers); and,

- Serve as the pediatric liaison to organizations outside the agency, including the American Academy of Pediatrics, the Elizabeth Glazer Pediatric AIDS Foundation, the National Institutes of Health, the Office of Human Research Protection, the European Agency for the Evaluation of Medicinal Products, and others.

Office of Combination Products

The Office of Combination Products (OCP) has broad responsibilities that cover the regulatory life cycle of drug-device, drug-biologic, device-biologic and drug-device-biologic combination products, and include oversight of product jurisdiction decisions and specific premarket and postmarket processes. OCP will continue to:

- Conduct the FDA product jurisdiction program by determining the regulatory identity of a product as a drug, device, biologic or combination product; determining the agency component that will have jurisdiction for any drug, device or biologic product where such jurisdiction is unclear or in dispute; and, assigning review responsibility of combination products to the appropriate center;

- Facilitate the timely and effective premarket review of combination products presenting complex regulatory issues by consulting with both industry and agency review staff to clearly delineate regulatory paths for product approval;

- Actively monitor the intercenter consultation process to ensure the timely and effective premarket review of combination products involving more than one agency center;

- Ensure the consistency and appropriateness of postmarket regulation of combination products by providing guidance and consultation on the selection of appropriate postmarket regulatory authorities and reporting of adverse events involving combination products;

- Collaborate with FDA Centers to develop or update agreements, guidance documents or practices clarifying the regulation or assignment of combination products;

- Obtain external stakeholder input on guidance and policies concerning the regulation and assignment of combination products, as appropriate; and,

- Serve as the agency focal point on matters related to combination products for both internal and external stakeholders.

Human Subject Protection

FDA enhances the capacity and productivity of the Nation's health science research enterprise through strengthening the mechanisms for ensuring the protection of human subjects and the integrity of the research process. The Good Clinical Practice Program will continue to:

- Improve the human subject protection system and the integrity of the research process through the development of regulations that would, for example:

    - Establish a system to report fraud and scientific misconduct in clinical trials and build additional safeguards for children enrolled in clinical investigations;

    - Establish a registration process for Institutional Review Boards (IRBs) to allow better education of, and communication with, IRBs and to facilitate FDA inspections of IRBs; and,

    - Establish standards for the acceptance for the review of foreign clinical studies not conducted under an investigational new drug application that do not rely on now outdated versions of the World Medical Association's Declaration of Helsinki.

- Implement an improved quality assurance and quality improvement program for the agency's Good Clinical Practice (GCP) activities, FDA's GCP Bioresearch Monitoring Program and FDA's intramural and extramural research programs, that would provide for the systematic monitoring and evaluation of the various aspects of these programs and a process to allow program components to self-evaluate activities and identify those that can and should be improved; and,

- Develop and present education and training programs on good clinical practice and human subject protection to major Academic Medical Institutions.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

FDA must have the capability to assess and effectively respond to risks associated with unexpected, and potentially widespread, terrorist-related health and safety threats to the U.S. public. The unpredictability and wide variety of ways that acts of terrorism can be launched complicate preparedness and the agency's ability to quickly and effectively respond to attacks. The challenges for FDA are to facilitate development of medical countermeasures and to effectively safeguard products and to respond at any point in the product pipeline – from farm/production through distribution to use/consumption – in both import and domestic arenas.

FDA has several major objectives that address these challenges:

- Facilitate the development and availability of medical countermeasures to limit the effects of a terrorist attack on the civilian or military populations and enhance our emergency preparedness and response capabilities to be better able to respond in the event of a terrorist attack;

- Ensure the safety and security of FDA personnel, physical assets, and sensitive information;

- Enhance the safety and security of America's food supply in cooperation with other Federal agencies and with the States;

- Ensure adequate supplies of medicine and vaccines are available to the American public by working with sponsors in the development review and approval of important medical countermeasures to protect the American public and military personnel; and,

- Maintain FDA's Office of Crisis Management's Emergency Operations Center by doing the following:

    - Coordinate the investigation of incidents and emergencies using the Emergency Operations Network Incident Management System, consistent with HSPD-5, "Management of Domestic Incidents," and,

    - Work with FDA Centers and Offices to update the FDA hazard specific response plans, the FDA Crisis Management Plan, and the FDA Emergency Response Plan; coordinate the agency's participation in counterterrorism exercises; and coordinate with HHS on FDA participation in National Special Security Events.

    - For future iterations, the EON project will explore and evaluate FDA and other information systems and analytical solutions to bring surveillance data functionality to its emergency coordinators and participants. This data would provide an additional form of surveillance for the agency to quickly spot emerging issues. Ideally, such a data mart would include subsets of surveillance data from sources and/or reports and include a robust query, analysis, trending, and reporting capability. Linkages to FDA systems such as FACTS, OASIS, and eLEXNET, and other government systems such as NBIS and CDC biosurveillance systems have been identified as options to be considered. FDA has established an intra agency work group to address issues related to Agency inputs to NBIS and is coordinating with DHHS and other operating divisions on a Department-wide approach to NBIS submissions.

IMPROVING FDA'S BUSINESS PRACTICES

More effective regulation through a stronger workforce will help FDA recruit and retain a world-class professional workforce, and conduct effective and efficient operations to accomplish our mission, and meet the objectives of the President's Management Agenda. In support of these objectives, FDA will:

- Support the PMA and FDA's competitive sourcing effort by performing cost comparison studies for commercially identified functions to increase program efficiency and effectiveness;

- Ensure its IT resources support the accomplishment of FDA's mission activities;

- Improve agency financial management systems and integrate performance and budget information to support resource decisions; and,

- Continue support for facilities improvements. Construction of the CDER Office Building continues and completion by April 2005. The Central Shared Use Building and the CDRH Engineering/Physics Building at White Oak is under construction.

Shared Services Activities

In FY 2004, FDA implemented a shared services model for delivering its administrative services to its offices and centers. The OSS operates within a "portfolio of services" that is aligned with the needs of FDA's offices and centers. The "portfolio of services" includes communication, financial transactional functions, procurement, facilities, and equal employment opportunity and diversity management. A call center is used to monitor and analyze operational and customer satisfaction. The table shows the OSS provider office and functional responsibility.

OSS Office	Description
Employee Resource and Information Center	Serves as the central source of administrative and information technology services information for FDA employees.
Office of Acquisitions and Grants Services	Manages contracts, simplified acquisitions, technology transfers, assistance agreements and charge card administration.
Office of Equal Employment Opportunities and Diversity Management	Promotes an inclusive work environment that ensures equal employment opportunity and fosters a culture that values diversity.
Office of Financial Services	Performs the day-to-day operations for financial services related to accounts payable, travel, payroll, fleet and claims management.
Office of Field Financial and Acquisition Services	Provides financial and acquisition services to the Office of Regulatory Affairs field offices and to National Center for Toxicological Research.
Office of Real Property Services	Oversees a wide variety of facility services, including portfolio planning, mail management, move management, and labor services.

These activities include:

- Maintain the Conflict Prevention & Resolution Program to provide FDA with effective dispute resolution processes;

- Process accounts payable, travel vouchers, and payroll for Headquarters and Field accounts;

- Continue to provide commercial payment digital imaging to speed invoice payments;

- Provide leadership and guidance to Headquarters and Field activities for all aspects of real property management and building operations functions for all FDA facilities nationwide;

- Direct the management of programs and systems leading to the acquisition, alteration, maintenance, and utilization of leased and owned facilities nationwide;

- Provide leadership and direction to assure the efficient and effective utilization of resources dedicated to engineering design, facility improvements, and new construction of FDA facilities nationwide, excluding the White Oak project;

- Ensure adherence to applicable legal and regulatory requirements governing Federal procurement; and,

- Provide ongoing administration of grants/cooperative agreements, memoranda of understanding, and interagency agreements including planning, review, and negotiations.

Financial Management

FDA financial systems support all of the agency's financial activities and are mission critical needs for our public health mission. Improved financial performance includes initiatives to reduce erroneous payments, reengineer business processes to include accounting operations in field offices, and a plan for a new core financial management system. These endeavors are vital to comply with changing Federal financial requirements, maintain a clean audit opinion, and integrate accounting and financial systems throughout DHHS. These activities include:

- Formulate budget submissions to the Department, OMB, and Congress, and provide support to Senior agency leadership by preparing testimony and documents used to defend these requests;

- Liaison with members and staff from congressional appropriations committees on FDA budget issues, and coordinate clear responses from FDA offices and centers;

- Prepare quarterly financial statements and annual financial reports, and liaison with the Office of Inspector General's independent auditor conducting the audit on FDA's financial statements, and perform necessary audit follow-up;

- Strengthen information systems security program controls by completing security plans for all major financial applications and upgrade current database system for legacy financial systems in order to strengthen access control;

- Ensure the integrity of major financial applications by reviewing and updating the financial management's software development and change control processes to facilitate year-end closeout, financial statement preparation, and CFO audit activities;

- Implement the UFMS General Ledger, and complete, plan, and implement the second and third phase of the Accounts Receivable, Accounts Payable and Purchasing modules of Oracle

Financials. These phases will also include planning for the interfaces for procurement, property and travel;

- Implement a reporting system that allows users to query and report on the financial system providing up-to-date information in order to make sound resource allocation decisions;

- Implement a standardized system for user fees within the agency that will allow one point of entry for industry and FDA centers integrating the system with each Centers' user fee application tracking systems; and,

- Complete planning for the Activity Based Costing (ABC) system by gathering requirements, selecting a vendor and integrating the system with UFMS.

User Fees

Prescription Drug User Fee Act (PDUFA)
Medical Devices User Fee and Modernization Act (MDUFMA)
Animal Drug User Fee Act (ADUFA)
Mammography Quality Standards Act (MQSA)

The Other Activities share of the user fee programs provides the financial management infrastructure for the collection, receipt, payment, accounting, and reporting of user fee revenues and expenses for PDUFA, MDUFMA, ADUFA, and MQSA. It also coordinates the acquisition and management of the additional space, and provides information technology support.

Other Activities also coordinates the preparation of the annual fiscal report to the Congress for PDUFA, MDUFMA, and ADUFA. Additionally, it is also responsible for the annual PDUFA performance report to Congress and for assisting with other management responsibilities including the PDUFA III goal for improved Performance Management and the various contracts associated with this goal.

Management Programs
FDA management programs support the agency by providing specialized workforce programs, administering the FDA ethics program, implementing programs on the Privacy Act, Freedom of Information Act, and Paperwork Reduction Act, and providing management analysis support to the Office of Commissioner. FDA management programs provide leadership and direction regarding all aspects of a variety of essential agency management programs. These activities include:

- Manage the agency Ethics program to ensure that all FDA employees are in compliance with regulations to maintain high standards of ethical conduct;

- Coordinate the implementation of the Federal Manager's Financial Integrity Act in the agency and prepare the annual assurance statement that internal controls are providing reasonable assurance against waste, fraud, and abuse;

- Liaison with the Department's Office of Inspector General regarding the conduct of audits and evaluations, and provides coordination of agency responses to audit reports and audit follow-up;

- Direct FDA's organizational management and delegations of authority program in conformance to government-wide regulations and departmental policies;

- Establish and oversee implementation of the FDA policy, procedures and processes to ensure agency conformance with the Paperwork Reduction Act;

- Provide leadership and direction to FDA's Freedom of Information (FOI), Privacy Act, and regulatory dockets and rule-making activities;

- Oversee the agency's competitive sourcing (A-76) program;

- Conduct specialized workforce planning and development programs including the Quality of Work Life, Reward & Recognition, Performance Management, Scientific and Regulatory Peer Review Program; and,

- Liaison with the Commissioned Corps and the Department's Human Resources Offices to ensure FDA personnel issues are addressed.

Information Technology

Support the 24 President's Management Agenda e-Gov initiatives and Departmental enterprise information technology strategic initiatives and an enterprise approach to investing in key IT initiatives such as the Federal Health Architecture, the Secure One HHS program, and Public Key Infrastructure. These investments will enable HHS programs to carry-out their missions more securely and at a lower cost. These activities include:

- Continue to align IT resources and investments in support of priority goals and objectives by maintaining an IT planning process synchronized with the business process planning effort;

- Manage the Office of Information Technology Shared Services to deliver efficient and effective services, including on-site desktop management, server and network management, help desk services, electronic mail administration, IT security and electronic trust infrastructure, IT asset and inventory management, training, requirements analysis, and software testing and evaluation;

- Further institutionalize the IT financial reporting process initiated in FY 2004, consisting of processes, tools to track and analyze IT spending in order to maximize the services, and products funded by the IT budget;

- Continue leveraging the Project Management Office and use of an IT Portfolio Management tool in order to facilitate the efficient and effective use of IT resources, including periodic review and measurement of initiatives towards their stated objectives and goals;

- Continue to mature the governance processes integrating Investment Management, Enterprise Architecture and strategic business planning in order to ensure the FDA rigorously selects, controls and evaluates its IT investments in a way that most effectively and efficiently supports agency's mission; and,

- Provide security and confidence to the electronic interchange of data through continued management of an effective IT security program.

Enterprise Information Technology Fund

This request includes funding to support the PMA expanding E-Gov initiatives and Departmental enterprise information technology initiatives. Agency funds will be combined with resources in the Information Technology Security and Innovation Fund to finance specific information technology initiatives identified through the HHS strategic planning process and approved by the HHS IT Investment Review Board. These enterprise information technology initiatives promote collaboration in planning and project management and achieve common goals such as secure and reliable communications and lower costs for the purchase and maintenance of hardware and software. Examples of HHS enterprise initiatives currently being funded are the Enterprise Architecture, Enterprise E-mail, Network Modernization, and Public Key Infrastructure.

SELECTED FY 2004 ACCOMPLISHMENTS

EMPOWERING CONSUMERS FOR BETTER HEALTH

Office of Women's Health

- Supported six intramural research projects on women's health issues related to counterterrorism, product safety, and cardiovascular disease;

- Monitored and evaluated ongoing research projects, jointly sponsored by CDER, that are designed to collect dosing, efficacy and safety information for subpopulations of the general public including pregnant women, fetuses, lactating women and the elderly;

- Conducted site visits at two institutions to ensure studies are consistent with contractual and human subjects protection obligations;

- Conducted extramural research program addressing issues related to FDA products and heart disease in women. Supported three research projects covering:
    - Use and Outcomes of Coronary Stents in Women: Use of a National Medicare Database;
    - Reduced Efficacy of Ace Inhibition in women with chronic heart failure; and,
    - Transmission Attenuation Correction for Female Patients undergoing Myocardial Perfusion Imaging: Correction for Confounding Breast Tissue Artifact.

- Implemented the Menopause and Hormones Information Campaign to bring clear and useful information to women about the use of hormones during menopause. Specific accomplishments include:
    - Distributed more than 650,000 pieces of campaign information throughout the country;
    - Participated in a radio and television station interviews that broadcast the menopause messages in top media markets across the United States;
    - Developed a radio, print and on-line advertising campaign that highlighted the English and Spanish versions of the menopause fact sheets and a public service announcement; and,
    - Conducted a radio tour during the month of September (National Menopause Month) under the campaign theme "Menopause and Hormones: What Can You Believe?"

- Developed a series of consumer information fact-sheets about FDA-regulated products for women and their families;

- Created a widely received educational campaign on promoting mammography in Puerto Rico with local government, organizations, and the press; and,

- Awarded a Consumer Choice Award from the GSA's Federal Citizen Information Center recognizing OWH for "extraordinary service for a decade as a clear voice, empowering millions of consumers by providing reliable health information".

PATIENT AND CONSUMER PROTECTION

Office of Pediatric Therapeutics

- Provided consultative advice on pediatric issues across the agency. In particular, the Pediatric Ethicist responded to 52 consult requests in FY 2004, involving difficult and complex pediatric topics, such as the conduct of appropriate clinical research in the pediatric population, informed consent, standards of therapy in international HIV trials, participation of healthy children in studies and the use of a placebo in clinical trials;

- Assisted the Pediatric Ethics Subcommittee of the Pediatric Advisory Committee which conducted a public review of a referral from National Institutes of Mental Health regarding the use of Dextroamphetamine in healthy children and, through the Pediatric Advisory Committee, made a recommendation to the Commissioner regarding the study;

- Formed an agency-wide Pediatric Ethics Working Group. This committee meets quarterly and provides a forum to discuss cross-Center pediatric issues, policy, and the development of a consistent approach across all FDA product Centers;

- Developed guidance documents and made numerous presentations to agency and external groups regarding pediatric ethical issues related to clinical research and child subject protection;

- Tracked adverse event reports for 24 drugs (table below) and reported them to the Pediatric Advisory Committee. This committee met four times during FY 2004 to hear reports on these 24 drugs and advise FDA on pediatric drug safety management, and;

PEDIATRIC ADVISORY COMMITTEE ADVERSE EVENT MEETINGS AND DRUGS DISCUSSED

October 2003	February 2004	June 2004	September 2004
Busulfex (busulfan)	Paxil (paroxetine)	Hycamtin (topotecan)	Pulmicort/Rhinocort (budesonide)
Zyrtec (certirizine)	Pravachol (pravastatin)	Temodar (temozolomide)	Clarinex (desloratadine)
Cozaar (losartan)	Celexa (citalopram)	Effexor (venlafaxine)	Cutivate/Flonase/Flovent (fluticasone), Advair (fluticasone and salmeterol)
Nolvadex (tamoxifen)	Navelbine (vinorelbine)	Vigamox (moxifloxacin)	Ocuflox (ofloxacin)
Accupril (quinapril)		Ciloxan (ciprolfloxacin)	Fludara (fludarabine)
Serzone (nefazodone)		Monopril (fosinopril) Allegra (fexofenadine) Duragesic (fentanyl)	Fosamax (alendronate)

- Coordinated review consults across FDA product Centers (see table below), developed specific pediatric topics for discussion with various Centers and promoted the communication of new pediatric information for FDA regulated products. Cross-cutting issues addressed in FY 2004 include the use of Probiotics in children, childhood obesity, safety issues for drugs excreted in breast milk, and legislative initiatives for pediatric devices.

OPT Inter-Center Consult Tracking
FY 2004

Total Number of Consult Requests	CFSAN	CBER	CDRH
13	3	3	7

Office of Combination Products

- Received and filed 55 formal Requests for Designation (RFD) under the agency's product jurisdiction program. The average RFD review time was 40 days of the 60 days provided by statute, and 100 percent of the decisions were issued on time;

- Published a proposed rule defining the primary mode of action of a combination product. The rule also described how FDA proposes to assign a lead Center when the primary mode of action is not readily determined;

- Published three draft guidance documents, covering Application User Fees for Combination Products, GMP's for Combination Products, and Dispute Resolution; and,

- Published capsular descriptions of ~70 jurisdictional determinations to improve the transparency of the assignment process, a longstanding concern of our stakeholders.

Good Clinical Practice Program

- Issued two proposed rules: IRB Registration in July 2004; and Acceptance of Data from Foreign Studies Not Conducted under an Investigational New Drug Application in June 2004 with the Department's Office of Human Research Protections to determine need for response to Advance Notice of Proposed Rule Making on Requiring Sponsors and Investigators to Inform IRBs of Any Prior IRB Reviews;

- Published three draft guidance documents on guidance for industry on Pharmacogenomic Data Submissions; Information Program on Clinical Trials for Serious or Life-Threatening Diseases and Conditions; and Premarketing Risk Assessment; Development and Use of Risk Minimization Action Plans; and Good Pharmacovigilance Practices and Pharmaco-epidemiologic Assessment; and

- Conducted Good Clinical Practice and Human Subject Protection Education and Outreach Programs with various academic and governmental institutions from St. Louis, Philadelphia, Chicago, Buffalo, Detroit, Tuskegee, Alabama, and Montreal in Canada.

PROTECTING THE HOMELAND -- COUNTERTERRORISM

Office of Counterterrorism Policy and Planning

FDA's Office of Counter Terrorism Policy and Planning serves as FDA's focal point for the development and implementation of policies that safeguard food and medical products from intentional adulteration or disruption of supplies, and policies to facilitate the availability of safe and effective medical countermeasures. Specific accomplishments include:

- Developed and implemented an implementation plan and tracking system for FDA responsibilities under HSPD 9. This plan has been used by Homeland Security Council as a model for other agencies with HSPD 9 responsibilities; and,

- Led the development of Draft Guidance on Emergency Use Authorization of medical countermeasures. Consulted with DHHS, DOD, NIH, and CDC in the development of this guidance;

- Ensured that recommendations of the Weapons of Mass Destruction Medical Countermeasures Senior Steering Committee on purchases for the Strategic National Stockpile are based on sound information, reflect FDA professional judgment and expertise, and are consistent with FDA policies and regulations; and,

- Led the development of FDA's portion of the Interagency Security Plan and the National Infrastructure Protection Plan.

IMPROVING FDA'S BUSINESS PRACTICES

Shared Services

- Stood up the final organizational units to achieve full implementation of the OSS covering over 10,000 headquarters and field employees nation-wide;

- Created a Office of Field Financial and Acquisitions Services that provides contract support and financial services to ORA and NCTR;

- Expanded the Employee and Resource Information Center to cover the Field and NCTR providing employees' access to an array of administrative and IT services;

- Met the FY 2004 administrative staff reduction targets by centralizing delivery of administrative services into a single organization using the shared services model that has incorporated customer service agreements and standards of performance;

- Established Service Provider Resource Center Web site as a centralized knowledge repository for use by OSS employees;

- Met 65 out of 67 service agreement metrics that OSS agreed to provide FDA components;

- Implemented the Most Efficient Organization for General Accounting and Real Property Management as a result of the recent sourcing competition determination;

- Executed a consolidated IT contract that reduced the number of companies providing IT support services from 15 to one; and,

- Incorporated workforce diversity program measure into FDA strategic action plan and Commissioner's Performance Contract.

Financial Management

- Transferred processing of financial transactions (commercial payments, travel, payroll, etc.) from the Office of Financial Management (OFM) to the OSS. OFM retained the functions related to policy, reporting, systems, application management, budgetary formulation, and budget execution;

- Created User Fees Team in OFM to better manage the execution, reporting and accountability of the FDA's user fee programs, in addition to the information provided for the budget formulation process;

- Received its seventh consecutive unqualified, or clean, audit opinion on its financial statements from the DHHS Office of Inspector General in December 2004;

- Entered the development phase of UFMS. This involves evaluating the software to see if it meets FDA-specific needs, testing the new system and determining training requirements for users. The agency continued its efforts on data clean-up, collect management reporting requirements, and support the upgrade of the legacy systems;

- Developed financial management applications to support user fees, travel, property, and procurement functions that would be integrated into UFMS;

- Created three performance budget submissions that integrated performance plan information into the traditional budget justification;

- Changed the budget structure by distributing FDA's total GSA rent expenditures to the respective programs, to help prevent the need for reprogramming request from Congress, to promote managerial efficiency and to better portray the full cost of each program's operations, and are now displaying FDA's field activities as a single line item, in order to provide ORA with increased flexibility to meet changing priorities and unforeseen emergencies.

Management Programs

- **Human Resources Consolidation - DHHS "40 to 4" Consolidation**. Assisted the Department's Rockville Human Resources Center with their stand-up on January 2004. This involved the coordination of the migration of staff and functions, including the coordination of physical space moves, establishing client contacts, review and approval of Service Level Agreements and coordination of service delivery. Along with the other OPDIVs, FDA started to use the Enterprise Human Resources and Payroll (EHRP) system and other automated personnel software. Other specialized workforce activities include the following:

    - Supporting the strategic goal of building a Strong FDA, redesigned the Leadership Development Program to ensure that high potential employees are developed as future agency leaders;

    - Expanded the FAME leadership training, created to assist supervisors, managers and team leaders in identifying and developing critical management and leadership skills necessary to communicate effectively, manage successfully and create and contribute to motivated high-performance teams. By adding of a fourth course, FDA widened its audience to include non-supervisory employees seeking the opportunity to explore supervision as a career. The newest course, the Supervisory Potential Course, was designed to address succession planning needs. It supports the agency's strategic workforce plan by identifying future supervisors early in their careers; and,

    - Participated in the HHS Career Mentoring program that was piloted this year targeting HHS employees who have at least one year of experience and less than five years. FDA has 40 mentoring pairs participating in the program.

Information Technology

- Revamped the organizational framework for managing IT in the agency by having all formal IT organizations report directly to the CIO;

- Awarded the IT Consolidated Infrastructure contract in August 2004;

- Completed establishment of the Office of IT Shared Services. which is already exhibiting performance metrics (e.g., abandoned call rate, calls answered within 30 seconds) better than industry standards;

- Brought the Prior Notice module on line, including account management capability;

- Achieved a performance level for the FDA web sites that regularly place it among the federal government's 10 best;

- Completed the "As Is" architecture, developed the target architecture for the gateway part of the e-submission initiative, and completed integration with the portfolio investment management tool;

- Developed the target architecture and awarded the contract to launch the FDA Submission Harmony and Reliable E-business project, which is intended to provide a single point of entry for electronic submission for the FDA;

- Established a governance framework to ensure the FDA's process for selecting, controlling and evaluating IT investments is rigorous enough to ensure mission needs are met, federal requirements for portfolio management are addressed, and integration also occurs with enterprise architecture and strategic planning programs;

- Broadened the effort to improve project management of IT initiatives through the active efforts of the Project Management Office to increase training, publish policies and guidance and sponsor mentoring;

- Finalized a Systems Development Life Cycle and associated investment and project management policies. End result will be a standardized and measurable process for deploying IT that allows continuous improvement, meaning lower costs and better service;

- Met federal and HHS targets for agency security programs in all areas: certification and accreditation, security awareness, self-assessments and privacy impact assessments; and,

- Continued leadership of the HHS-Net initiative, including authoring the design of the network and being the first Operating Division to switch to the new circuits.

PERFORMANCE GOALS AND FY 2006 TARGETS

The following table of performance goals and FY 2006 targets is presented to compliment the sequential display of this program's "outputs" by more closely linking the traditional budget presentation of base and increased activities and workload outputs contained in the Program Activity Data (PAD) charts. Activities discussed throughout this narrative support the accomplishment of outputs (PAD and performance goals) which in turn contribute to the accomplishment of long term outcome and strategic goals. Full cost information for these goals as well as other historical information has been provided in their respective sections in the Detail of Performance Analysis contained in the supporting information tab.

Performance Goals	Targets
Increase percentage of contract dollars allocated to performance based contracts. (19006)	FY 06: 50%
FDA's implementation of HHS's Unified Financial Management System. (19017)	FY 06: FDA will pilot an activity-based costing application integrated with HHS UFMS project as part of Prescription Drug User Fee Act III. The UFMS and its FDA modules will be operational in FY05 allowing FDA's legacy system core financial system to be decommissioned during the first quarter of FY 2006 configuration of UFMS. Begin development of FDA's unique interfaces and test global interfaces.
Enhance the Agency Emergency preparedness and response capabilities to be better able respond in the event of a terrorist attack. (19008)	FY 06: Enhance functionality and continue deployment of the National Incident Management System throughout the Agency (HQ, Centers, Field offices).

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RENT ACTIVITIES

	FY 2004 Actual	FY 2005 Enacted [1/]	FY 2006 Estimate	Increase or Decrease
Program Level	**$158,010,00**	**$165,344,000**	**$171,394,000**	**+$6,050,000**
Budget Authority	***$150,397,000***	***$149,237,000***	***$153,337,000***	***+ $4,100,000***
GSA Rent and Other Rent Related Activities:				
Foods Program	*$23,168,000*	*$23,187,000*	*$23,615,000*	*+ $428,000*
Human Drugs Program	*$18,544,000*	*$20,059,000*	*$20,518,000*	*+ $459,000*
Biologics Program	*$7,272,000*	*$5,979,000*	*$6,039,000*	*+ $60,000*
Animal Drugs & Feeds Program	*$12,043,000*	*$12,259,000*	*$12,477,000*	*+ $218,000*
Devices and Rad. Health Program	*$16,315,000*	*$17,702,000*	*$18,012,000*	*+ $310,000*
National Center for Toxicological Research	*$217,000*	*$229,000*	*$229,000*	*$0*
Office of Regulatory Affairs Program	*$64,416,000*	*$62,526,000*	*$65,001,000*	*+ $2,475,000*
Other Activities Program	*$8,422,000*	*$7,296,000*	*$7,446,000*	*+ $150,000*
User Fees	***$7,613,000***	***$16,107,000***	***$18,057,000***	***$1,950,000***
GSA Rent and Other Rent Related Activities:				
PDUFA	*$6,146,000*	*$12,407,000*	*$12,700,000*	*+ $293,000*
MDUFMA	*$1,367,000*	*$3,329,000*	*$3,986,000*	*+ $657,000*
ADUFA	*$100,000*	*$371,000*	*$1,371,000*	*+ $1,000,000*

Includes structure changes to FDA's budget, which displays GSA and Other Rent and Rent Related Activities in the Program line, and the Office of Regulatory Affairs as its own program. ORA estimates are for information purposes only and are not included in the Center program level total.
[1]Contains budget authority rescission of 0.8 percent.

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$99,916,000	$98,876,000	$1,040,000	0
2003 Actual	$150,511,000	$141,292,000	$9,219,000	0
2004 Actual	$158,010,000	$150,397,000	$7,613,000	0
2005 Enacted	$165,344,000	$149,237,000	$16,107,000	0
2006 Estimate	$171,394,000	$153,337,000	$18,057,000	0

Does not contain GSA Rent or Other Rent and Rent Related Activities.
[1/]Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.
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PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to the Congress, place the accountability for rental costs within the operating program, and would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into program level requests.

Office of Regulatory Affairs Estimate and Structure Change

This budget also establishes a single budget line item for the Office of Regulatory Affairs (ORA). To help the field program provide services more effectively, especially by providing much needed flexibility to respond shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the Office of Regulatory Affairs to reflect the planned spending for each program area.

FDA White Oak Consolidation Structure Change

To provide increased flexibility and to better reflect the total cost of the White Oak Consolidation effort, this budget changes the way the budget line is displayed by adding an individual line to display the consolidation project.

Budget Authority

Buildings and Facilities: +$7,000,000

Managing a nationwide inventory of leased and owned real property assets that include a substantial amount of lab facilities requires regular repair, improvement and maintenance activities on a preventative and, on an emergency basis. Modifying these spaces to accommodate programs and maintain the buildings as they age allows FDA employees to perform their duties in a safe, healthful and productive work place.

Without funding in FY 2006, FDA will delay completion of projects, which will cause additional operating costs to support personnel and equipment in different buildings and postponing planned inter-center research projects. FDA could be in a position of having to shut-down laboratories and buildings due to safety issues, with field operations bearing the brunt of any such closures. Restoration is especially important, and not receiving the requested resources could lead to rising costs due to the continued delays in maintenance and deterioration of the FDA facilities.

JUSTIFICATION OF BASE

IMPROVING FDA'S BUSINESS PRACTICES

Through improving FDA's business practices, the Agency will ensure a world-class professional work force, effective and efficient operations and adequate resources to accomplish the mission.

STATUS OF MAJOR PROJECTS

White Oak

The White Oak Consolidation Program continues its coordinated efforts to execute the 2000 Master Plan design to provide a new state of the art facility for the FDA at White Oak.

On December 11, 2003, a dedication ceremony was held for the Life Sciences Laboratory, a state of the art chemistry, bioscience and animal research facility. As the first new building to open on the site, the laboratory provides approximately 124,000 gross square feet, for 120 employees from the Center for Drug Evaluation and Research (CDER) and the Center for Devices and Radiological Health (CDRH).

Construction for the CDER Office Building I began on November 15, 2002, and has progressed on schedule for occupancy in spring 2005. This building provides 560,000 gross square feet of modern office space to accommodate the Office of New Drugs, comprised of approximately 1,700 scientists and support staff. The facility also includes a 60,000 square foot, efficient document storage center, mail room and support space.

Construction of the Central Shared Use Building began in October 2004. When complete this facility will provide employees and visitors with a cafeteria, conference and training center, credit union, fitness center, health unit, central library and R&W store, along with housing the Agency security command center, central data center and NTEU offices. The first phase of this building, including the cafeteria, fitness center and security command center, is scheduled for completion in spring 2006.

The CDRH Engineering/Physics Laboratory construction contract was awarded in January 2005 with construction completion expected in February 2007. This building will provide approximately 128,000 square feet of high tech laboratories engaged in evaluating electromagnetic and medical devices, radiological instruments and consumer appliances generating radiological signals. The facility consists of numerous vibration isolation slabs, electromagnet shielding, an anechoic chamber and laser devices especially dedicated to the program science. This facility is scheduled for occupancy in 2006.

With design to be complete in spring 2005, the approximately 291,000 gross square foot, CDER Office Building II will accommodate the Center Director's office and the balance

of the CDER scientific and support staffs. This is a uniquely designed office building in that the entire building will be equipped with an under-floor ventilation system. This design change provides for more offices benefiting from indirect outside daylight, taller windows, more efficient distribution of air and electrical wiring along with IT/Telecom and security wiring.

Finally, the first phase of the site's parking garages is at the 75% design level with the start of construction planned for 2005. This concrete parking structure will contribute approximately 800 spaces to the overall parking for the campus.

Arkansas Regional Laboratory (ARL)

As a part of FDA's plan to restructure its eighteen field laboratories, ARL is one of five multi-disciplined laboratories and will provide laboratory support for a seventeen statewide area and for the U.S-Mexican border stretching from Otay Mesa, California to Brownsville, Texas. The ARL provides analytical support in chemistry and microbiology. The ARL scientists are testing products regulated by the FDA to ensure compliance with the FFDCA, which will include products produced in the U.S. and imported.

Winchester Engineering and Analytical Center:

The Winchester Engineering and Analytical Center (WEAC) located in Winchester, MA, serves as a national resource for evaluation of radiological and other medical devices. WEAC is the only FDA facility that provides specialized engineering and analytical services and radionuclide analysis. This laboratory was constructed in 1952, is in poor condition, and cannot be adequately renovated to meet modern laboratory standards.

Other Rent and Rent-Related Activities

- 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. Services include rental of space, and all recurring services for building operations;

- 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; and,

- GSA Building Delegation Services account. Provide 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.

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BUILDINGS AND FACILITIES

	FY 2004 Actual	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
Program Level	**$22,504,000**	**$0**	**$7,000,000**	**+$7,000,000**
Budget Authority	**$22,504,000**	**$0**	**$7,000,000**	**+$7,000,000**

Historical Funding and FTE Levels

Fiscal Year	Program Level	Budget Authority	User Fees	Program Level FTE
2002 Actual [1/]	$43,867,000	$43,867,000	$0	0
2003 Actual	$17,043,000	$17,043,000	$0	0
2004 Actual	$22,504,000	$22,504,000	$0	0
2005 Enacted	$0	$0	$0	0
2006 Estimate	$7,000,000	$7,000,000	$0	0

[1/] *Includes FDA's FY 2002 Appropriation and the Counterterrorism Supplemental.*

STATEMENT OF BUDGET REQUEST

The Agency is requesting $7,000,000 in program level resources for accomplishing its mission activities. This appropriation would provide funding for new construction and needed repairs and improvements which include Maryland site components which are now located in approximately 40 buildings in 16 separate locations; plus 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 D.C. Metro area; and the NCTR complex in Jefferson Arkansas. Overall, FDA maintains offices and staff in 49 states, and in the District of Columbia and Puerto Rico.

PROGRAM DESCRIPTION

The Building and Facilities appropriation provides funding for new construction and for needed repairs and improvements to existing facilities across the U.S.

STATEMENT OF BUDGET REQUEST

The Agency is requesting $171,394,000 in program level resources for both government-owned and GSA-leased property, as needed for staff to accomplish FDA's mission. Rent is part of the Salaries and Expenses Appropriation and includes Rental Payments to GSA and Other Rent and Rent-Related Activities. GSA Rental Payments includes charges for all of GSA space, while the Other Rent and Rent-Related account includes rent and rent-related charges that are not part of the GSA account.

- 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. Services include rental of space, and all recurring services for building operations;

- 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 heating, ventilation, and air conditioning (HVAC) beyond the standard level funded by GSA; and,

- GSA Building Delegation Services account. Provide 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.

RATIONALE FOR BUDGET REQUEST

This request, for Budget Authority and User Fees, supports various activities that contribute to the accomplishment of program outputs and performance goals, and presents FDA's justification of base resources by strategic goals.

PROGRAM RESOURCE CHANGES

Program Account Restructuring

GSA Rent and Other Rent Activities Structure Change

To provide increased flexibility and accountability, eliminate the need for the many reprogramming requests to the Congress, place the accountability for rental costs within the operating program, and would better reflect the total cost of each program. This budget changes the way the GSA Rent and Other Rent-Related Activities budget lines are displayed by incorporating these resources into program level requests.

Office of Regulatory Affairs Estimate and Structure Change

This budget also establishes a single budget line item for the Office of Regulatory Affairs (ORA), to help it provide services more effectively, especially by providing much needed flexibility to respond shifting program priorities. This additional flexibility is essential to allow FDA to respond to emerging situations without being hindered in performing its mission critical activities. These activities have been removed from each program line and the Field estimates will be provided under the ORA to reflect the planned spending for each program area.

Budget Authority

GSA Rent + $4,100,000

To help meet the rising costs of GSA rent, a total increase of $4,100,000 is requested to help cover inflation on FDA's current GSA leased facilities.

User Fees

Prescription Drug User Fee Act III (PDUFA): + $293,000

PDUFA authorized the FDA to collect fees from the pharmaceutical industry to augment appropriations spent on drug review. These fees expand the resources available for the process of reviewing human drug applications including reviewers, information management, space costs, acquisition of fixtures, furniture, equipment and other necessary materials so that safe and effective drug products reach the American public more quickly. The BT Act reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. These amendments are effective for five years and direct FDA to strengthen and improve the review and monitoring of drug safety; consider greater interaction with sponsors during the review of drugs and biologics intended to treat serious diseases and life-threatening diseases; and develop principles for improving first-cycle reviews. The increases will contribute to meeting these mandated directives.

Medical Device User Fee and Modernization Act (MDUFMA): + $657,000

The FY 2006 request for the Devices and Radiological Health program meets the required trigger of $220,961,000 in the Devices and Radiological Health Program, enabling FDA to collect the MDUFMA user fees that supplement the appropriated portion of the medical device review program. The Agency will be able to continue its efforts to improve the quality and timeliness of the medical review process and promote the delivery of new medical technologies to the American public. The MDUFMA User Fees it collects will allow FDA to continue to:

- Promote public health though major improvements in the review of expedited submissions for medical devices;

- Meet MDUFMA's performance goals and achieve the other improvements prescribed by MDUFMA;

- Provide information system improvements and modernization for the device tracking systems, Image system, other essential systems; and,

- Provide training and professional development for employees and contract with outside experts to ensure that the Agency keeps pace with technological change and medical advancements.

Animal Drug User Fee Act (ADUFA): + $1,000,000

ADUFA enacted in November 2003, contained a required appropriations action enabling FDA's implementation of ADUFA. ADUFA helps the FDA, through a strengthened animal drug pre-market review program, to provide greater public health protection by ensuring that animal drug products that are approved to be safe and effective are readily available for both companion animals and animals intended for food consumption. Additional resources provided by ADUFA will also help FDA scientists keep pace with the rapid advances in science and medicine that drive the quality of health care for our animals. ADUFA, which requires new animal drug applicants, sponsors, and manufacturers to incur a fee to expedite their respective applications, will help provide a cost-efficient, high quality animal drug review process that is predictable and performance driven.

JUSTIFICATION OF BASE

GSA Rent

IMPROVING FDA'S BUSINESS PRACTICES

Through improving FDA's business practices, the Agency will ensure a world-class professional work force, effective and efficient operations and adequate resources to accomplish the mission. FDA will continue to:

- Occupy over 4.4 million net square feet of space, including parking, which is under the Salaries and Expenses appropriation. By FY 2006, FDA will occupy over 4.6 million square feet of GSA space, including parking; and,

- Incur GSA rent charges that are billed directly to FDA and indirectly through other agencies, and include the charges for all of GSA space, both government owned and GSA leased. About 47 percent of these charges are for government-owned or GSA-leased space in the Washington, D.C. area. The largest individual rent charges are for the Parklawn Building complex, Module II in Beltsville, CFSAN's new College Park facility, and the Regional Offices and laboratory in Jamaica, NY. 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 throughout the country.

Other Rent and Rent-Related Activities

- 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. Services include rental of space, and all recurring services for building operations;

- 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; and,

- GSA Building Delegation Services account. Provide 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.

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Food and Drug Administration
Object Class Detail
Salaries and Expenses -- Budget Authority
(Dollars in Thousands)

Direct Obligations PERSONNEL COMPENSATION:	FY 2004 Current Estimate	FY 2004 Actuals	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
11.1 Full-time permanent	$ 634,783,000	$ 548,873,000	$ 638,596,000	$ 638,279,000	$ (317,000)
11.3 Other than full-time perm	38,739,000	64,021,000	39,417,000	39,147,000	(270,000)
11.5 Other personnel comp	21,845,000	21,849,000	22,078,000	21,985,000	(93,000)
11.7 Military Personnel Compensation	35,789,000	42,795,000	36,246,000	36,064,000	(182,000)
11.8 Special personal svcs pay	161,000	436,000	166,000	164,000	(2,000)
Subtotal Personnel Comp	**$ 731,317,000**	**$ 677,974,000**	**$ 736,503,000**	**$ 735,639,000**	**$ (864,000)**
12.1 Civilian Personnel Benefits	154,750,000	160,959,000	156,465,000	155,781,000	(684,000)
12.2 Military Personnel Benefits	16,912,000	22,891,000	17,157,000	17,059,000	(98,000)
13.0 Benefits -former personnel	27,000	7,400,000	27,000	27,000	-
Subtotal Pay Costs	**$ 903,006,000**	**$ 869,224,000**	**$ 910,152,000**	**$ 908,506,000**	**$ (1,646,000)**
21.0 Travel & Transportation of persons	$ 16,536,000	$ 22,626,000	$ 24,306,000	$ 25,120,000	$ 814,000
22.0 Transportation of things	4,376,000	4,341,000	4,663,000	5,204,000	541,000
23.2 Rent payments to others	3,543,000	4,168,000	4,478,000	5,000,000	522,000
23.3 Communication, Util & Misc Services	18,073,000	22,777,000	24,468,000	27,302,000	2,834,000
24.0 Printing & Reproduction	2,023,000	2,105,000	2,262,000	2,524,000	262,000
Contractual Costs:					
25.1 Advisory and Assistance Services	$ 24,220,000	$ 38,511,000	$ 47,870,000	$ 43,162,000	$ (4,708,000)
25.2 Other Services	69,925,000	70,851,000	78,112,000	80,429,000	2,317,000
25.3 Purchase of Goods & Svcs from Govt Acts	60,860,000	74,557,000	80,092,000	83,370,000	3,278,000
25.4 Operation & Maintenance of Facilities	36,051,000	46,839,000	50,315,000	52,144,000	1,829,000
25.7 Operation & Maintenance of Equipment	27,385,000	20,755,000	22,295,000	24,878,000	2,583,000
Subtotal Contractual Costs	**$ 218,441,000**	**$ 251,513,000**	**$ 278,684,000**	**$ 283,983,000**	**$ 5,299,000**
26.0 Supplies & Materials	14,960,000	17,930,000	19,261,000	21,492,000	2,231,000
Subtotal Non-Pay Costs	**$ 277,952,000**	**$ 325,460,000**	**$ 358,122,000**	**$ 370,625,000**	**$ 12,503,000**
TOTAL DIRECT OBLIGATION	**$ 1,180,958,000**	**$ 1,194,684,000**	**$ 1,268,274,000**	**$ 1,279,131,000**	**$ 10,857,000**

Food and Drug Administration
Object Class Detail
Budget Authority
(Dollars in Thousands)

Direct Obligations PERSONNEL COMPENSATION:	FY 2004 Current Estimate	FY 2004 Actuals	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
11.1 Full-time permanent	$ 634,783,000	$ 548,873,000	$ 638,596,000	$ 638,279,000	$ (317,000)
11.3 Other than full-time perm	38,739,000	64,021,000	39,417,000	39,147,000	(270,000)
11.5 Other personnel comp	21,845,000	21,849,000	22,078,000	21,985,000	(93,000)
11.7 Military Personnel Compensation	35,789,000	42,795,000	36,246,000	36,064,000	(182,000)
11.8 Special personal svcs pay	161,000	436,000	166,000	164,000	(2,000)
Subtotal Personnel Comp	**$ 731,317,000**	**$ 677,974,000**	**$ 736,503,000**	**$ 735,639,000**	**$ (864,000)**
12.1 Civilian Personnel Benefits	154,750,000	160,959,000	156,465,000	155,781,000	(684,000)
12.2 Military Personnel Benefits	16,912,000	22,891,000	17,157,000	17,059,000	(98,000)
13.0 Benefits -former personnel	27,000	7,400,000	27,000	27,000	-
Subtotal Pay Costs	**$ 903,006,000**	**$ 869,224,000**	**$ 910,152,000**	**$ 908,506,000**	**$ (1,646,000)**
21.0 Travel & Transportation of persons	$ 16,536,000	$ 22,626,000	$ 24,306,000	$ 25,120,000	$ 814,000
22.0 Transportation of things	4,376,000	$ 4,341,000	$ 4,663,000	$ 5,204,000	541,000
23.1 Rental payments to GSA	114,394,000	$ 114,353,000	$ 113,479,000	$ 117,579,000	4,100,000
23.2 Rent payments to others	3,543,000	$ 4,168,000	$ 4,478,000	$ 5,000,000	522,000
23.3 Communication, Util & Misc Services	18,073,000	$ 22,777,000	$ 24,468,000	$ 27,302,000	2,834,000
24.0 Printing & Reproduction	2,023,000	$ 2,105,000	$ 2,262,000	$ 2,524,000	262,000
Contractual Costs:					
25.1 Advisory and Assistance Services	$ 24,220,000	$ 38,511,000	$ 47,870,000	$ 43,162,000	$ (4,708,000)
25.2 Other Services	69,926,000	$ 70,851,000	$ 78,112,000	$ 80,429,000	2,317,000
25.3 Purchase of Goods & Svcs from Govt Acts	60,860,000	$ 74,557,000	$ 80,092,000	$ 83,370,000	3,278,000
25.4 Operation & Maintenance of Facilities	36,051,000	$ 46,839,000	50,315,000	$ 52,144,000	1,829,000
25.5 Research & Development Contracts	35,214,000	$ 18,327,000	19,688,000	$ 21,969,000	2,281,000
25.7 Operation & Maintenance of Equipment	27,385,000	$ 20,755,000	22,295,000	$ 24,878,000	2,583,000
Subtotal Contractual Costs	**$ 253,656,000**	**$ 269,840,000**	**$ 298,372,000**	**$ 305,952,000**	**$ 7,580,000**
26.0 Supplies & Materials	14,960,000	17,930,000	19,261,000	21,492,000	2,231,000
31.0 Equipment	37,760,000	25,236,000	24,961,000	29,853,000	4,892,000
32.0 Land & Structure	-	27,235,000	730,000	6,068,000	5,338,000
41.0 Grants, subsidies & contributions	16,385,000	21,337,000	22,921,000	45,076,000	22,155,000
42.0 Ins claims & indemnities	1,026,000	42,000	45,000	50,000	5,000
Subtotal Non-Pay Costs	**482,732,000**	**531,990,000**	**539,946,000**	**591,220,000**	**51,274,000**
TOTAL DIRECT OBLIGATION	**$ 1,385,738,000**	**$ 1,401,214,000**	**$ 1,450,098,000**	**$ 1,499,726,000**	**$ 49,628,000**
FTE [1/]	**8,853**	**8,567**	**8,585**	**8,334**	**(251)**

[1/] FTE levels do not include reimbursable FTE (64 for FY 2004 Actuals, 2005, and 2006.)

Food and Drug Administration
Object Class Detail
User Fees
(Dollars in Thousands)

Direct Obligations PERSONNEL COMPENSATION:	FY 2004 Current Estimate	FY 2004 Actuals	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
11.1 Full-time permanent	$ 128,667,000	$ 110,959,000	$ 143,891,000	$ 150,221,000	$ 6,330,000
11.3 Other than full-time perm	9,325,000	12,636,000	10,834,000	$ 11,419,000	585,000
11.5 Other personnel comp	4,832,000	4,690,000	5,437,000	$ 5,680,000	243,000
11.7 Military Personnel Compensation	7,713,000	7,633,000	8,737,000	$ 9,174,000	437,000
11.8 Special personal svcs pay	22,000	125,000	32,000	$ 35,000	3,000
Subtotal Personnel Comp	**$ 150,559,000**	**$ 136,043,000**	**$ 168,931,000**	**$ 176,529,000**	**$ 7,598,000**
12.1 Civilian Personnel Benefits	31,590,000	33,226,000	35,905,000	37,634,000	1,729,000
12.2 Military Personnel Benefits	3,784,000	4,231,000	4,338,000	4,570,000	232,000
13.0 Benefits -former personnel	-	25,000	1,000	1,000	-
Subtotal Pay Costs	**185,933,000**	**173,525,000**	**209,175,000**	**218,734,000**	**$ 9,559,000**
21.0 Travel & Transportation of persons	$ 7,246,000	$ 4,109,000	$ 7,840,000	$ 8,669,000	$ 829,000
22.0 Transportation of things	742,000	$ 487,000	$ 771,000	$ 864,000	93,000
23.1 Rental payments to GSA	11,169,000	$ 7,326,000	$ 15,229,000	$ 16,714,000	1,485,000
23.2 Rent payments to others	792,000	$ 209,000	$ 825,000	$ 862,000	37,000
23.3 Communication, Util & Misc Services	2,699,000	$ 4,431,000	$ 3,036,000	$ 4,122,000	1,086,000
24.0 Printing & Reproduction	375,000	$ 273,000	$ 260,000	$ 320,000	60,000
Contractual Costs:					
25.1 Advisory and Assistance Services	$ 3,859,000	$ 6,683,000	$ 3,579,000	$ 4,869,000	$ 1,290,000
25.2 Other Services	38,764,000	$ 37,556,000	$ 53,628,000	$ 60,597,000	6,969,000
Acts	19,616,000	$ 15,359,000	$ 16,291,000	$ 19,599,000	3,308,000
25.4 Operation & Maintenance of Facilities	2,353,000	$ 6,328,000	$ 2,301,000	$ 3,726,000	1,425,000
25.5 Research & Development Contracts	3,677,000	$ 2,538,000	$ 3,562,000	$ 4,414,000	852,000
25.7 Operation & Maintenance of Equipment	7,806,000	$ 8,279,000	$ 8,464,000	$ 10,082,000	1,618,000
Subtotal Contractual Costs	**76,075,000**	**76,743,000**	**87,825,000**	**103,287,000**	**$ 15,462,000**
26.0 Supplies & Materials	8,075,000	4,443,000	8,630,000	9,533,000	903,000
31.0 Equipment	16,219,000	5,933,000	16,729,000	18,494,000	1,765,000
32.0 Land & Structure	20,000	35,000	10,000	18,000	8,000
41.0 Grants, subsidies & contributions	76,000	175,000	97,000	129,000	32,000
42.0 Ins claims & indemnities	283,000	1,000	16,000	17,000	1,000
Subtotal Non-Pay Costs	**123,771,000**	**104,165,000**	**141,268,000**	**163,029,000**	**$ 21,761,000**
TOTAL DIRECT OBLIGATION	**309,704,000**	**277,690,000**	**350,443,000**	**381,763,000**	**$ 31,320,000**
FTE [1/]	**1,670**	**1,574**	**1,796**	**1,843**	**47**

[1/] FTE levels do not include reimbursable FTE (64 for FY 2004 Actuals, and 65 for 2005).

Food and Drug Administration
Object Class Detail
Program Level
(Dollars in Thousands)

Direct Obligations PERSONNEL COMPENSATION:	FY 2004 Current Estimate	FY 2004 Actuals	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
11.1 Full-time permanent	$ 763,450,000	$ 659,832,000	$ 782,487,000	$ 788,500,000	$ 6,013,000
11.3 Other than full-time perm	48,064,000	$ 76,657,000	$ 50,251,000	$ 50,566,000	315,000
11.5 Other personnel comp	26,677,000	$ 26,539,000	$ 27,515,000	$ 27,665,000	150,000
11.7 Military Personnel Compensation	43,502,000	$ 50,428,000	$ 44,983,000	$ 45,238,000	255,000
11.8 Special personal svcs pay	183,000	$ 561,000	$ 198,000	$ 199,000	1,000
Subtotal Personnel Comp	**$ 881,876,000**	**$ 814,017,000**	**$ 905,434,000**	**$ 912,168,000**	**$ 6,734,000**
12.1 Civilian Personnel Benefits	186,340,000	$ 194,185,000	$ 192,370,000	$ 193,415,000	1,045,000
12.2 Military Personnel Benefits	20,696,000	$ 27,122,000	$ 21,495,000	$ 21,629,000	134,000
13.0 Benefits -former personnel	27,000	$ 7,425,000	$ 28,000	$ 28,000	-
Subtotal Pay Costs	**$ 1,088,939,000**	**$ 1,042,749,000**	**$ 1,119,327,000**	**$ 1,127,240,000**	**$ 7,913,000**
21.0 Travel & Transportation of persons	$ 23,782,000	$ 26,735,000	$ 32,146,000	$ 33,789,000	$ 1,643,000
22.0 Transportation of things	5,118,000	$ 4,828,000	5,434,000	6,068,000	634,000
23.1 Rental payments to GSA	125,563,000	$ 121,679,000	128,708,000	134,293,000	5,585,000
23.2 Rent payments to others	4,335,000	$ 4,377,000	5,303,000	5,862,000	559,000
23.3 Communication, Util & Misc Services	20,772,000	$ 27,208,000	27,504,000	31,424,000	3,920,000
24.0 Printing & Reproduction	2,398,000	$ 2,378,000	2,522,000	2,844,000	322,000
Contractual Costs:					
25.1 Advisory and Assistance Services	$ 28,079,000	$ 45,194,000	$ 51,449,000	$ 48,031,000	$ (3,418,000)
25.2 Other Services	108,689,000	$ 108,407,000	131,740,000	141,026,000	9,286,000
25.3 Purchase of Goods & Svcs from Govt Acts	80,476,000	$ 89,916,000	96,383,000	102,969,000	6,586,000
25.4 Operation & Maintenance of Facilities	38,404,000	$ 53,167,000	52,616,000	55,870,000	3,254,000
25.5 Research & Development Contracts	38,891,000	$ 20,865,000	23,250,000	26,383,000	3,133,000
25.7 Operation & Maintenance of Equipment	35,191,000	$ 29,034,000	30,759,000	34,960,000	4,201,000
Subtotal Contractual Costs	**$ 329,730,000**	**$ 346,583,000**	**$ 386,197,000**	**$ 409,239,000**	**$ 23,042,000**
26.0 Supplies & Materials	23,035,000	22,373,000	27,891,000	31,025,000	3,134,000
31.0 Equipment	53,979,000	31,169,000	41,690,000	48,347,000	6,657,000
32.0 Land & Structure	20,000	27,270,000	740,000	6,086,000	5,346,000
41.0 Grants, subsidies & contributions	16,461,000	21,512,000	23,018,000	45,205,000	22,187,000
42.0 Ins claims & indemnities	1,309,000	43,000	61,000	67,000	6,000
Subtotal Non-Pay Costs	**$ 606,503,000**	**$ 636,155,000**	**$ 681,214,000**	**$ 754,249,000**	**$ 73,035,000**
TOTAL DIRECT OBLIGATION	**$ 1,695,442,000**	**$ 1,678,904,000**	**$ 1,800,541,000**	**$ 1,881,489,000**	**$ 80,948,000**
FTE [1/]	**10,523**	**10,141**	**10,381**	**10,177**	**-204**

[1/] FTE levels do not include reimbursable FTE (61 for FY 2003 Actuals, 88 FTE for FY 2003 current estimate and 65 for FY 2004 and for 2005).

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2004 Actuals	PREMARKET													
	PREMARKET REVIEW		PREMARKET APPLIED RESEARCH		PREMARKET OUTREACH/COORDINATION				PREMARKET INSPECTIONS				PREMARKET TOTAL	
					DOMESTIC		FOREIGN		DOMESTIC		FOREIGN			
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$27,634**	**168**	**$5,054**	**33**	**$6,371**	**56**	**$1,469**	**12**	**$0**	**-**	**$0**	**-**	**$40,528**	**269**
Center for Food Safety & Applied Nutrition	*27,634*	*168*	*5,054*	*33*	*6,371*	*56*	*1,469*	*12*					*40,528*	*269*
Center for Drug Evaluation & Research	**$260,798**	**1,554**	**$15,975**	**62**	**$32,459**	**217**	**$5,464**	**30**	**$9,062**	**53**	**$3,005**	**17**	**$326,763**	**1,933**
PDUFA (non-add):	*135,170*	*840*			*10,337*	*63*	*1,650*	*8*	*7,264*	*40*	*767*	*5*	*$155,188*	*956*
Center for Biologics Evaluation & Research	**$94,132**	**536**	**$11,850**	**67**	**$19,295**	**110**	**$749**	**4**	**$983**	**6**			**$127,009**	**723**
PDUFA (non-add):	*32,583*	*176*	-	-	*6,858*	*37*	*128*	*1*	*266*	*1*			*39,835*	*215*
MDUFMA (non-add):	*2,820*	*16*	-	-	*440*	*3*	*6*	-	*57*	*1*			*3,323*	*20*
Center for Veterinary Medicine	**$22,339**	**179**	**$4,086**	**26**	**$818**	**12**							**$27,243**	**217**
ADUFA (non-add):	*983*	*3*											*983*	*3*
Center for Devices & Radiological Health	**$73,536**	**516**	**$9,296**	**59**	**$4,978**	**34**	**$1,254**	**8**					**$89,064**	**617**
MQSA (non-add):													-	-
MDUFMA (non-add):	*17,253*	*100*											*17,253*	*100*
National Center for Toxicological Research			**$24,502**	**132**									**$24,502**	**132**
Field Activites Program Total	**$4,346**	**39**	**$99**	**1**	**-**	**-**	**-**	**-**	**$24,492**	**209**	**$6,324**	**56**	**$35,261**	**305**
Foods Program Estimate													-	-
Human Drugs Program Estimate	4,283	38							14,903	130	5,401	48	24,587	216
PDUFA (non-add):									*4,186*	*28*	*635*	*6*	*4,821*	*34*
Biologics Program Estimate									3,098	27	366	3	3,464	30
PDUFA (non-add)									*987*	*7*			*987*	*7*
MDUFMA (non-add)									*68*	*1*			*68*	*1*
Animal Drugs and Feeds Program Estimate	63	1	99	1					1,691	14	300	3	2,153	19
Devices and Rad. Health Program Estimate									4,800	38	257	2	5,057	40
MQSA (non-add)													-	-
MDUFMA (non-add)									*608*	*5*			*608*	*5*
Other Activities	**$39,208**	**236**	**$2,369**	**20**	**$5,191**	**34**	**$726**	**4**	**$2,805**	**21**	**$758**	**6**	**$51,057**	**321**
PDUFA (non-add)	*10,394*	*93*			*1,270*	*12*	*160*	*1*	*1,275*	*12*	*186*	*2*	*13,285*	*120*
MQSA (non-add)													-	-
MDUFMA (non-add)	*1,052*	*8*			*40*	*1*			*50*	*1*			*1,142*	*10*
ADUFA (non-add):													-	-
													-	**-**
SUB-TOTAL:	**$521,993**	**3,228**	**$73,231**	**400**	**$69,112**	**463**	**$9,662**	**58**	**$37,342**	**289**	**$10,087**	**79**	**$721,427**	**4,517**
Sub- Total Center	**517,647**	**3,189**	**73,132**	**399**	**69,112**	**463**	**9,662**	**58**	**12,850**	**80**	**3,763**	**23**	**686,166**	**4,212**
Sub-Total Field	**4,346**	**39**	**99**	**1**	**-**	**-**	**-**	**-**	**24,492**	**209**	**6,324**	**56**	**35,261**	**305**
Sub-Total User Fees - non add	**200,255**	**1,236**	**0**	**0**	**18,945**	**116**	**1,944**	**10**	**14,761**	**96**	**1,588**	**13**	**237,493**	**1,471**
Plus:														
GSA Rent and Other Rent and Rent Related														
PDUFA (non-add)														
MDUFMA (non-add)														
ADUFA (non-add)														
FDA consolidation at White Oak														
Export Certification and Certification Fund														
Buildings and Facilities														
TOTAL S&E PROGRAM:														

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2004 Actuals	POSTMARKET														POSTMARKET TOTAL		TOTAL ALL FDA	
	OUTREACH COORDINATION COMPLIANCE		POSTMARKET APPLIED RESEARCH		POSTMARKET LABORATORY ANALYSES				POSTMARKET INSPECTIONS									
					DOMESTIC		IMPORTS		DOMESTIC		FOREIGN		IMPORTS					
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$60,966**	**382**	**$26,663**	**160**	**$7,295**	**34**	**$4,417**	**41**	**$1,636**	**7**	**$2,162**	**17**	**$699**	**-**	**$103,838**	**641**	**$144,366**	**910**
Center for Food Safety & Applied Nutrition	*60,966*	*382*	*26,663*	*160*	*7,295*	*34*	*4,417*	*41*	*1,636*	*7*	*2,162*	*17*	*699*		*103,838*	*641*	*144,366*	*910*
Center for Drug Evaluation & Research	**$39,235**	**221**	**$785**	**4**	**$926**	**7**	**$227**	**1**	**$3,128**	**16**	**$2,186**	**7**	**$231**	**1**	**$46,718**	**257**	**$373,481**	**2,190**
PDUFA (non-add):	*7,465*	*16*													*7,465*	*16*	*162,653*	*972*
Center for Biologics Evaluation & Research	**$11,985**	**69**							**$878**	**5**					**$12,863**	**74**	**$139,872**	**797**
PDUFA (non-add):	*$335*	*2*													*335*	*2*	*40,170*	*217*
MDUFMA (non-add):	*114*	*1*													*114*	*1*	*3,437*	*21*
Center for Veterinary Medicine	**$20,637**	**97**	**$7,633**	**35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**$28,270**	**132**	**$55,513**	**349**
ADUFA (non-add):															-	-	*983*	*3*
Center for Devices & Radiological Health	**$61,541**	**368**	**$2,872**	**19**	**$8,461**	**57**									**$72,874**	**444**	**161,938**	**1,061**
MQSA (non-add):	*4,039*	*26*													*4,039*	*26*	*4,039*	*26*
MDUFMA (non-add):															-	-	*17,253*	*100*
National Center for Toxicological Research			**$15,150**	**75**											**$15,150**	**75**	**$39,652**	**207**
Field Activites Program Total	**$105,468**	**877**	**$5,725**	**63**	**$36,208**	**313**	**$52,916**	**454**	**$133,453**	**1,114**	**$9,924**	**83**	**$85,482**	**663**	**$429,176**	**3,567**	**$464,437**	**3,872**
Foods Program Estimate	57,245	482	4,175	47	25,715	218	46,687	395	57,286	479	2,538	21	69,040	530	262,686	2,172	262,686	2,172
Human Drugs Program Estimate	20,398	179	146	1	4,970	45	1,745	18	24,861	219	2,964	26	6,440	55	61,524	543	86,111	759
PDUFA (non-add):															*0*	-	*4,821*	*34*
Biologics Program Estimate	3,662	34	83	1					18,117	160	884	8	934	8	23,680	211	27,144	241
PDUFA (non-add)															-	-	*987*	*7*
MDUFMA (non-add)															-	-	*68*	*1*
Animal Drugs and Feeds Program Estimate	5,480	45	632	7	3,038	25	1,702	14	11,485	99	183	2	4,255	35	26,775	227	28,928	246
Devices and Rad. Health Program Estimate	18,683	137	689	7	2,485	25	2,782	27	21,704	157	3,355	26	4,813	35	54,511	414	59,568	454
MQSA (non-add)	*5,416*	*5*	-	-	-	-	-	-	*3,047*	*3*	-	-	-	-	*8,463*	*8*	*8,463*	*8*
MDUFMA (non-add)															-	-	*608*	*5*
Other Activities	**$24,350**	**158**	**$1,216**	**9**	**$4,295**	**32**	**$4,675**	**39**	**$11,296**	**90**	**$1,159**	**8**	**$7,018**	**52**	**$54,009**	**388**	**$105,066**	**709**
PDUFA (non-add)	*250*	*2*													*250*	*2*	*13,535*	*122*
MQSA (non-add)	*157*	*2*							*57*	-					*214*	*2*	*214*	*2*
MDUFMA (non-add)		-													-	-	*1,142*	*10*
ADUFA (non-add):															-	-	-	-
															-	-	-	-
SUB-TOTAL:	**$324,182**	**2,172**	**$60,044**	**365**	**$57,185**	**443**	**$62,235**	**535**	**$150,391**	**1,232**	**$15,431**	**115**	**$93,430**	**716**	**$762,898**	**5,578**	**$1,484,325**	**10,095**
Sub- Total Center	**218,714**	**1,295**	**54,319**	**302**	**20,977**	**130**	**9,319**	**81**	**16,938**	**118**	**5,507**	**32**	**7,948**	**53**	**333,722**	**2,011**	**1,019,888**	**6,223**
Sub-Total Field	**105,468**	**877**	**5,725**	**63**	**36,208**	**313**	**52,916**	**454**	**133,453**	**1,114**	**9,924**	**83**	**85,482**	**663**	**429,176**	**3,567**	**464,437**	**3,872**
Sub-Total User Fees - non add	**17,776**	**54**	**-**	**-**	**-**	**-**	**-**	**-**	**3,104**	**3**	**-**	**-**	**-**	**-**	**20,880**	**57**	**258,373**	**1,528**
Plus:																		
GSA Rent and Other Rent and Rent Related																	**158,010**	
PDUFA (non-add)																	*6,146*	
MDUFMA (non-add)																	*1,367*	
ADUFA (non-add)																	*100*	
FDA consolidation at White Oak																	**6,131**	
Export Certification and Certification Fund																	**7,934**	46
Buildings and Facilities																	**22,504**	-
TOTAL S&E PROGRAM:																	**$1,678,904**	**10,141**

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2005 Request	**PREMARKET**												
	PREMARKET REVIEW		**PREMARKET APPLIED RESEARCH**		**PREMARKET OUTREACH/COORDINATION**				**PREMARKET INSPECTIONS**				**PREMARKET TOTAL**	
					DOMESTIC		**FOREIGN**		**DOMESTIC**		**FOREIGN**			
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$27,115**	**168**	**$6,159**	**33**	**$6,251**	**56**	**$1,441**	**12**	**$0**	**-**	**$0**	**-**	**$40,966**	**269**
Center for Food Safety & Applied Nutrition	*27,115*	*168*	*6,159*	*33*	*6,251*	*56*	*1,441*	*12*	*0*	*-*	*-*	*-*	*40,966*	*269*
Human Drugs Program	**$290,801**	**1,721**	**$14,392**	**62**	**$34,680**	**232**	**$5,885**	**30**	**$10,353**	**55**	**$3,219**	**17**	**$359,330**	**2,117**
Center for Drug Evaluation & Research	290,801	1,721	14,392	62	34,680	*232*	5,885	30	10,353	55	3,219	17	*359,330*	*2,117*
PDUFA (non-add):	*165,276*	*867*			*12,869*	*62*	*1,866*	*9*	*8,219*	*43*	*867*	*5*	*189,097*	*986*
Biologics Program	**$97,865**	**557**	**$10,450**	**59**	**$19,874**	**113**	**$768**	**4**	**$1,062**	**6**	**$0**	**-**	**$130,019**	**739**
Center for Biologics Evaluation & Research	97,865	557	10,450	59	19,874	113	768	4	1,062	6			*130,019*	*739*
PDUFA (non-add):	*31,111*	*173*			*6,547*	*37*	*122*	*1*	*254*	*1*			*38,034*	*212*
MDUFMA (non-add):	*6,438*	*29*			*1,005*	*5*	*15*		*131*	*1*			*7,589*	*35*
Animal Drugs and Feeds Program	**$28,843**	**203**	**$4,086**	**26**	**$824**	**12**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$33,753**	**241**
Center for Veterinary Medicine	28,843	203	4,086	26	824	12							*33,753*	*241*
ADUFA (non-add):	*7,748*	*58*											*7,748*	*58*
Devices & Radiological Health Program	**$87,204**	**597**	**$10,924**	**63**	**$5,789**	**37**	**$1,402**	**8**	**$0**	**-**	**$0**	**-**	**$105,319**	**705**
Center for Devices & Radiological Health	87,204	597	10,924	63	5,789	37	1,402	8					*105,319*	*705*
MQSA (non-add):													-	-
MDUFMA (non-add):	*17,786*	*152*											*17,786*	*152*
National Center for Toxicological Research Program	**$0**	**-**	**$24,928**	**141**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$24,928**	**141**
National Center for Toxicological Research			24,928	141									*24,928*	*141*
Field Activites Program Total	**$4,333**	**37**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$25,673**	**199**	**$6,311**	**51**	**$36,317**	**287**
Foods Program Estimate													-	-
Human Drugs Program Estimate	4,271	36							14,860	120	5,385	44	24,516	200
PDUFA (non-add):									*4,524*	*22*	*522*	*6*	*5,046*	*28*
Biologics Program Estimate									3,199	25	366	3	3,565	28
PDUFA (non-add)									*2,088*	*12*			*2,088*	*12*
MDUFMA (non-add)									*319*	*2*			*319*	*2*
Animal Drugs and Feeds Program Estimate	62	1							1,657	13	294	2	2,013	16
Devices and Rad. Health Program Estimate									5,957	41	266	2	6,223	43
MQSA (non-add)													-	-
MDUFMA (non-add)									*593*	*8*			*593*	*8*
Other Activities	**$44,215**	**277**	**$2,649**	**20**	**$5,559**	**38**	**$783**	**5**	**$3,058**	**22**	**$786**	**6**	**$57,050**	**368**
PDUFA (non-add)	*19,421*	*121*			*1,759*	*11*	*185*	*1*	*1,487*	*9*	*134*	*1*	*22,986*	*143*
MQSA (non-add)													-	-
MDUFMA (non-add)	*3,872*	*21*			*47*				*142*	*1*			*4,061*	*22*
ADUFA (non-add):	*235*	*2*											*235*	*2*
SUB-TOTAL:	**580,376**	**3,560**	**73,588**	**404**	**72,977**	**488**	**10,279**	**59**	**40,146**	**282**	**10,316**	**74**	**787,682**	**4,867**
Total Center	*551,249*	*3,367*	*70,939*	*384*	*69,177*	*461*	*9,681*	*55*	*12,902*	*70*	*3,353*	*18*	*751,365*	*4,355*
Total Field	*4,271*	*36*	-	-	-	-	-	-	*27,429*	*195*	*6,173*	*52*	*37,873*	*283*
User Fees - non add	*251,887*	*1,423*	-	-	*22,227*	*115*	*2,188*	*11*	*17,757*	*99*	*1,523*	*12*	*295,582*	*1,660*
Plus:														
GSA Rent and Other Rent and Rent-Related														
MDUFMA (non-add)														
PDUFA (non-add)														
ADUFA (non-add)														
FDA consolidation at White Oak														
PDUFA (non-add)														
Export Certification and Certification Fund														
Buildings and Facilities														
TOTAL S&E PROGRAM:														

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2005 Request	POSTMARKET														POSTMARKET TOTAL		TOTAL ALL FDA	
	OUTREACH COORDINATION COMPLIANCE		POSTMARKET APPLIED RESEARCH		POSTMARKET LABORATORY ANALYSES				POSTMARKET INSPECTIONS									
					DOMESTIC		IMPORTS		DOMESTIC		FOREIGN		IMPORTS					
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$60,169**	**366**	**$32,962**	**160**	**$8,358**	**34**	**$5,134**	**41**	**$1,605**	**7**	**$2,121**	**17**	**$687**	**-**	**$111,036**	**625**	**$152,002**	**894**
Center for Food Safety & Applied Nutrition	*60,169*	*366*	*32,962*	*160*	*8,358*	*34*	*5,134*	*41*	*1,605*	*7*	*2,121*	*17*	*687*	*-*	*111,036*	*625*	*152,002*	*894*
Human Drugs Program	**$43,241**	**242**	**$759**	**4**	**$961**	**7**	**$241**	**1**	**$3,250**	**16**	**$2,269**	**7**	**$240**	**1**	**$50,961**	**278**	**$410,291**	**2,395**
Center for Drug Evaluation & Research	43,241	242	759	4	961	7	241	1	3,250	16	2,269	7	240	1	*50,961*	*278*	*410,291*	*2,395*
PDUFA (non-add):	*10,665*	*29*													*10,665*	*29*	*199,762*	*1,015*
Biologics Program	**$12,191**	**71**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$883**	**5**	**$0**	**-**	**$0**	**-**	**$13,074**	**76**	**$143,093**	**815**
Center for Biologics Evaluation & Research	12,191	71							883	5					*13,074*	*76*	*143,093*	*815*
PDUFA (non-add):	*319*	*2*													*319*	*2*	*38,353*	*214*
MDUFMA (non-add):	*261*	*1*													*261*	*1*	*7,850*	*36*
Animal Drugs and Feeds Program	**$21,672**	**96**	**$7,615**	**36**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$29,287**	**132**	**$63,040**	**373**
Center for Veterinary Medicine	21,672	96	7,615	36											*29,287*	*132*	*63,040*	*373*
ADUFA (non-add):															*0*	*0*	*7,748*	*58*
Devices & Radiological Health Program	**$68,135**	**405**	**$4,137**	**20**	**$8,615**	**57**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$80,887**	**482**	**$186,206**	**1,187**
Center for Devices & Radiological Health	68,135	405	4,137	20	8,615	57									*80,887*	*482*	*186,206*	*1,187*
MQSA (non-add):	*5,174*	*32*													*5,174*	*32*	*5,174*	*32*
MDUFMA (non-add):															*0*	*0*	*17,786*	*152*
National Center for Toxicological Research Program	**$0**	**-**	**$15,278**	**84**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$15,278**	**84**	**$40,206**	**225**
National Center for Toxicological Research			15,278	84											*15,278*	*84*	*40,206*	*225*
Field Activites Program Total	**$106,693**	**804**	**$6,574**	**61**	**$50,351**	**305**	**$53,088**	**414**	**$144,463**	**1,058**	**$10,046**	**76**	**$89,675**	**643**	**$460,890**	**3,361**	**$497,207**	**3,648**
Foods Program Estimate	56,866	437	4,998	46	38,786	212	46,792	359	60,384	461	2,544	20	73,154	521	$283,524	2,056	*283,524*	*2,056*
Human Drugs Program Estimate	20,337	164	147	1	4,962	42	1,740	17	24,927	200	2,955	24	6,421	50	61,489	498	*86,005*	*698*
PDUFA (non-add):															*0*	*0*	*5,046*	*28*
Biologics Program Estimate	3,750	33							19,494	155	885	7	935	7	25,064	202	*28,629*	*230*
PDUFA (non-add)															*0*	*0*	*2,088*	*12*
MDUFMA (non-add)															*0*	*0*	*319*	*2*
Animal Drugs and Feeds Program Estimate	6,348	44	735	8	3,992	29	1,668	13	16,089	95	180	2	4,169	33	33,181	224	*35,194*	*240*
Devices and Rad. Health Program Estimate	19,392	126	694	6	2,611	22	2,888	25	23,569	147	3,482	23	4,996	32	57,632	381	*63,855*	*424*
MQSA (non-add)	*6,493*	*9*							*5,050*	*7*					*11,543*	*16*	*11,543*	*16*
MDUFMA (non-add)															*0*	*0*	*593*	*8*
Other Activities	**$25,737**	**167**	**$1,182**	**9**	**$5,631**	**34**	**$4,821**	**38**	**$12,386**	**91**	**$1,190**	**8**	**$7,471**	**54**	**$58,418**	**401**	**$115,468**	**769**
PDUFA (non-add)	*752*	*3*													*752*	*3*	*23,738*	*146*
MQSA (non-add)	*202*	*2*													*202*	*2*	*202*	*2*
MDUFMA (non-add)									-						*0*	*0*	*4,061*	*22*
ADUFA (non-add):															*0*	*0*	*235*	*2*
SUB-TOTAL:	**337,838**	**2,151**	**68,507**	**374**	**73,916**	**437**	**63,284**	**494**	**162,587**	**1,177**	**15,626**	**108**	**98,073**	**698**	**819,831**	**5,439**	**1,607,513**	**10,306**
Total Center	*206,160*	*1,183*	*60,751*	*304*			*5,375*	*42*	*5,738*	*28*	*4,390*	*24*	*927*	*1*	*301,275*	*1,680*	*1,018,576*	*6,035*
Total Field	*46,222*	*299*	*841*	*7*			*4,628*	*42*	*53,546*	*354*	*6,437*	*47*	*11,417*	*82*	*130,664*	*895*	*168,537*	*1,178*
User Fees - non add	*23,866*	*78*	-	-	-	-	-	-	*5,050*	*7*	-	-	-	-	*28,916*	*85*	*324,498*	*1,745*
Plus:																		
GSA Rent and Other Rent and Rent-Related																	**165,344**	**-**
MDUFMA (non-add)																	*3,329*	
PDUFA (non-add)																	*12,407*	
ADUFA (non-add)																	*371*	
FDA consolidation at White Oak																	**20,846**	**-**
PDUFA (non-add)																		
Export Certification and Certification Fund																	**6,838**	**51**
Buildings and Facilities																		**-**
TOTAL S&E PROGRAM:																	**1,800,541**	**10,357**

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2006 Request	PREMARKET												PREMARKET TOTAL	
	PREMARKET REVIEW		PREMARKET APPLIED RESEARCH		PREMARKET OUTREACH/COORDINATION				PREMARKET INSPECTIONS					
					DOMESTIC		FOREIGN		DOMESTIC		FOREIGN			
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$26,842**	**168**	**$6,807**	**34**	**$6,251**	**56**	**$1,441**	**12**	**$0**	**-**	**$0**	**-**	**$41,341**	**270**
Center for Food Safety & Applied Nutrition	*26,842*	*168*	*6,807*	*34*	*6,251*	*56*	*1,441*	*12*	*0*	*-*	*-*	*-*	*41,341*	*270*
Human Drugs Program	**$304,440**	**1,768**	**$14,392**	**62**	**$36,114**	**215**	**$5,931**	**27**	**$10,276**	**52**	**$3,284**	**16**	**$374,437**	**2,140**
Center for Drug Evaluation & Research	*304,440*	*1,768*	*14,392*	*62*	*36,114*	*215*	*5,931*	*27*	*10,276*	*52*	*3,284*	*16*	*374,437*	*2,140*
PDUFA (non-add):	*178,326*	*884*			*13,015*	*62*	*1,802*	*9*	*7,933*	*43*	*867*	*5*	*201,943*	*1,003*
Biologics Program	**$104,008**	**553**	**$9,332**	**52**	**$21,140**	**113**	**$794**	**4**	**$1,119**	**6**	**$0**	**-**	**$136,393**	**728**
Center for Biologics Evaluation & Research	*104,008*	*553*	*9,332*	*52*	*21,140*	*113*	*794*	*4*	*1,119*	*6*			*136,393*	*728*
PDUFA (non-add):	*36,447*	*175*			*7,671*	*37*	*143*	*1*	*298*	*1*			*44,559*	*214*
MDUFMA (non-add):	*6,900*	*30*			*1,077*	*5*	*16*	*-*	*140*	*1*			*8,133*	*36*
Animal Drugs and Feeds Program	**$30,396**	**221**	**$4,086**	**26**	**$824**	**12**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$35,306**	**259**
Center for Veterinary Medicine	*30,396*	*221*	*4,086*	*26*	*824*	*12*							*35,306*	*259*
ADUFA (non-add):	*9,301*	*76*											*9,301*	*76*
Devices & Radiological Health Program	**$92,305**	**598**	**$10,924**	**61**	**$5,887**	**37**	**$1,402**	**8**	**$0**	**-**	**$0**	**-**	**$110,518**	**704**
Center for Devices & Radiological Health	*92,305*	*598*	*10,924*	*61*	*5,887*	*37*	*1,402*	*8*					*110,518*	*704*
MQSA (non-add):	*-*	*-*											*-*	*-*
MDUFMA (non-add):	*22,173*	*158*											*22,173*	*158*
National Center for Toxicological Research Program	**$0**	**-**	**$26,255**	**136**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$26,255**	**136**
National Center for Toxicological Research			*26,255*	*136*									*26,255*	*136*
Field Activites Program Total	**$4,364**	**35**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$25,988**	**189**	**$6,367**	**48**	**$36,719**	**272**
Foods Program Estimate													*-*	*-*
Human Drugs Program Estimate	*4,303*	*34*							*14,970*	*114*	*5,425*	*41*	*24,698*	*189*
PDUFA (non-add):									*4,189*	*19*	*1,744*	*10*	*5,933*	*29*
Biologics Program Estimate									*3,270*	*24*	*375*	*3*	*3,645*	*27*
PDUFA (non-add)									*2,742*	*12*			*2,742*	*12*
MDUFMA (non-add)									*389*	*2*			*389*	*2*
Animal Drugs and Feeds Program Estimate	*61*	*1*							*1,658*	*12*	*294*	*2*	*2,013*	*15*
Devices and Rad. Health Program Estimate									*6,090*	*39*	*273*	*2*	*6,363*	*41*
MQSA (non-add)													*-*	*-*
MDUFMA (non-add)									*805*	*8*			*805*	*8*
Other Activities	**$45,340**	**285**	**$2,649**	**20**	**$5,661**	**37**	**$771**	**4**	**$3,014**	**21**	**$778**	**5**	**$58,213**	**372**
PDUFA (non-add)	*21,835*	*124*			*1,818*	*11*	*183*	*1*	*1,476*	*9*	*275*	*2*	*25,587*	*147*
MQSA (non-add)													*-*	*-*
MDUFMA (non-add)	*4,889*	*22*											*4,889*	*22*
ADUFA (non-add):	*749*	*6*											*749*	*6*
													-	*-*
SUB-TOTAL:	**$607,695**	**3,628**	**$74,445**	**391**	**$75,877**	**470**	**$10,339**	**55**	**$40,397**	**268**	**$10,429**	**69**	**$819,182**	**4,881**
Sub- Total Center	*603,331*	*3,593*	*74,445*	*391*	*75,877*	*470*	*10,339*	*55*	*14,409*	*79*	*4,062*	*21*	*782,463*	*4,609*
Sub-Total Field	*4,364*	*35*	*-*	*-*	*-*	*-*	*-*	*-*	*25,988*	*189*	*6,367*	*48*	*36,719*	*272*
Sub-Total User Fees - non add	*280,620*	*1,475*	*0*	*0*	*23,581*	*115*	*2,144*	*11*	*17,972*	*95*	*2,886*	*17*	*327,203*	*1,713*
Plus:														
Other Rent and Rent-Related														
MDUFMA (non-add)														
PDUFA (non-add)														
ADUFA (non-add)														
GSA Rent														
PDUFA (non-add)														
MDUFMA (non-add)														
ADUFA (non-add)														
FDA consolidation at White Oak														
PDUFA (non-add)														
Export Certification and Certification Func														
Buildings and Facilities														
TOTAL S&E PROGRAM:														

FDA FUNDING BY FUNCTIONAL ACTIVITY
TOTAL = S&E PROGRAM LEVEL
(Dollars in thousands)

FY 2006 Request	POSTMARKET														POSTMARKET TOTAL		TOTAL ALL FDA	
	OUTREACH COORDINATION COMPLIANCE		POSTMARKET APPLIED RESEARCH		POSTMARKET LABORATORY ANALYSES				POSTMARKET INSPECTIONS									
					DOMESTIC		IMPORTS		DOMESTIC		FOREIGN		IMPORTS					
	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
Foods Program	**$59,437**	**346**	**$36,636**	**163**	**$8,658**	**36**	**$5,334**	**42**	**$1,605**	**7**	**$2,121**	**17**	**$687**	**-**	**$114,478**	**611**	**$155,819**	**881**
Center for Food Safety & Applied Nutrition	*59,437*	*346*	*36,636*	*163*	*8,658*	*36*	*5,334*	*42*	*1,605*	*7*	*2,121*	*17*	*687*	*-*	*114,478*	*611*	*155,819*	*881*
Human Drugs Program	**$44,993**	**236**	**$759**	**4**	**$987**	**7**	**$244**	**1**	**$3,311**	**16**	**$2,296**	**7**	**$244**	**1**	**$52,834**	**272**	**$427,271**	**2,412**
Center for Drug Evaluation & Research	*44,993*	*236*	*759*	*4*	*987*	*7*	*244*	*1*	*3,311*	*16*	*2,296*	*7*	*244*	*1*	*52,834*	*272*	*427,271*	*2,412*
PDUFA (non-add):	*11,965*	*29*													*11,965*	*29*	*213,908*	*1,032*
Biologics Program	**$12,169**	**68**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$876**	**5**	**$0**	**-**	**$0**	**-**	**$13,045**	**73**	**$149,438**	**801**
Center for Biologics Evaluation & Research	*12,169*	*68*							*876*	*5*					*13,045*	*73*	*149,438*	*801*
PDUFA (non-add):	*374*	*2*													*374*	*2*	*44,933*	*216*
MDUFMA (non-add):	*279*	*1*													*279*	*1*	*8,412*	*37*
Animal Drugs and Feeds Program	**$21,672**	**92**	**$7,615**	**34**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$29,287**	**126**	**$64,593**	**385**
Center for Veterinary Medicine	*21,672*	*92*	*7,615*	*34*											*29,287*	*126*	*64,593*	*385*
ADUFA (non-add):															*-*	*-*	*9,301*	*76*
Devices & Radiological Health Program	**$69,403**	**391**	**$4,170**	**20**	**$8,461**	**55**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$82,034**	**466**	**$192,552**	**1,170**
Center for Devices & Radiological Health	*69,403*	*391*	*4,170*	*20*	*8,461*	*55*									*82,034*	*466*	*192,552*	*1,170*
MQSA (non-add):	*5,337*	*26*													*5,337*	*26*	*5,337*	*26*
MDUFMA (non-add):															*-*	*-*	*22,173*	*158*
National Center for Toxicological Research Program	**$0**	**-**	**$14,897**	**84**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$0**	**-**	**$14,897**	**84**	**$41,152**	**220**
National Center for Toxicological Research			14,897	84											*14,897*	*84*	*41,152*	*220*
Field Activites Program Total	**$103,982**	**765**	**$6,624**	**59**	**$86,511**	**297**	**$50,385**	**394**	**$143,158**	**1,017**	**$11,975**	**78**	**$85,531**	**612**	**$488,166**	**3,222**	**$524,885**	**3,494**
Foods Program Estimate	*53,485*	*416*	*5,048*	*44*	*74,850*	*209*	*44,011*	*342*	*56,793*	*440*	*2,393*	*19*	*68,828*	*496*	*305,408*	*1,966*	*305,408*	*1,966*
Human Drugs Program Estimate	*20,489*	*156*	*147*	*1*	*4,999*	*40*	*1,753*	*16*	*25,127*	*191*	*2,977*	*23*	*6,469*	*48*	*61,961*	*475*	*86,659*	*664*
PDUFA (non-add):															*-*	*-*	*5,933*	*29*
Biologics Program Estimate	*3,833*	*31*							*19,937*	*148*	*905*	*7*	*956*	*7*	*25,631*	*193*	*29,276*	*220*
PDUFA (non-add)															*-*	*-*	*2,742*	*12*
MDUFMA (non-add)															*-*	*-*	*389*	*2*
Animal Drugs and Feeds Program Estimate	*6,349*	*42*	*735*	*8*	*3,993*	*27*	*1,668*	*12*	*16,086*	*91*	*180*	*2*	*4,170*	*31*	*33,181*	*213*	*35,194*	*228*
Devices and Rad. Health Program Estimate	*19,826*	*120*	*694*	*6*	*2,669*	*21*	*2,953*	*24*	*25,215*	*147*	*5,520*	*27*	*5,108*	*30*	*61,985*	*375*	*68,348*	*416*
MQSA (non-add)	*6,393*	*9*							*5,231*	*7*					*11,624*	*16*	*11,624*	*16*
MDUFMA (non-add)															*-*	*-*	*805*	*8*
Other Activities	**$25,127**	**161**	**$1,182**	**9**	**$8,435**	**34**	**$4,512**	**37**	**$12,009**	**89**	**$1,322**	**9**	**$6,971**	**52**	**$ 59,558**	**391**	**$ 117,771**	**763**
PDUFA (non-add)	*799*	*3*													*799*	*3*	*26,386*	*150*
MQSA (non-add)	*148*	*2*							*64*						*212*	*2*	*212*	*2*
MDUFMA (non-add)	*-*	*-*			*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*4,889*	*22*
ADUFA (non-add):	*-*	*-*			*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*749*	*6*
SUB-TOTAL:	**$336,783**	**2,059**	**$71,883**	**373**	**$113,052**	**429**	**$60,475**	**474**	**$160,959**	**1,134**	**$17,714**	**111**	**$93,433**	**665**	**$854,299**	**5,245**	**$1,673,481**	**10,126**
Sub- Total Center	*232,801*	*1,294*	*65,259*	*314*	*26,541*	*132*	*10,090*	*80*	*17,801*	*117*	*5,739*	*33*	*7,902*	*53*	*366,133*	*2,023*	*1,148,596*	*6,632*
Sub-Total Field	*103,982*	*765*	*6,624*	*59*	*86,511*	*297*	*50,385*	*394*	*143,158*	*1,017*	*11,975*	*78*	*85,531*	*612*	*488,166*	*3,222*	*524,885*	*3,494*
Sub-Total User Fees - non add	*25,295*	*72*	*-*	*-*	*-*	*-*	*-*	*-*	*5,295*	*7*	*-*	*-*	*-*	*-*	*30,590*	*79*	*357,793*	*1,792*
Plus:																		
Other Rent and Rent-Related																	**36,541**	
MDUFMA (non-add)																	*783*	
PDUFA (non-add)																	*-*	
ADUFA (non-add)																	*-*	
GSA Rent																	**134,853**	
PDUFA (non-add)																	*12,700*	
MDUFMA (non-add)																	*3,203*	
ADUFA (non-add)																	*1,371*	
FDA consolidation at White Oak																	**21,974**	
PDUFA (non-add)																	*-*	
Export Certification and Certification Func																	**7,640**	**51**
Buildings and Facilities																	**7,000**	
TOTAL S&E PROGRAM:																	**1,881,489**	**10,177**

Unified Financial Management System

The Unified Financial Management System (UFMS) is being implemented to replace five legacy accounting systems currently used across the Operating Divisions (OPDIV). The UFMS will integrate the Department's financial management structure and provide HHS leaders with a more timely and coordinated view of critical financial management information. The system will also facilitate shared services among the Agencies and thereby, help management reduce substantially the cost of providing accounting service throughout HHS. Similarly, UFMS, by generating timely, reliable and consistent financial information, will enable the component agencies and program administrators to make more timely and informed decisions regarding their operations. FDA expects to expend $4,720,374 for UFMS and $5 million for FDA specific applications (e.g., e-Travel, property consolidation, reporting and activity-based costing).

The Program Management Office (PMO) and the Program Support Center (PSC) have commenced Operations and Maintenance (O&M) activities for UFMS in FY 2004. The PMO and the PSC will provide the O&M activities to support UFMS. The scope of proposed O&M services includes post deployment support and ongoing business and technical operations services. Post-deployment services include supplemental functional support, training, change management and technical help-desk services. On-going business operation services involve core functional support, training and communications, and help desk services. On-going technical services include the operations and maintenance of the UFMS production and development environments, on-going development support, and backup and disaster recovery services. FDA requests $3,305,953 to support these efforts in FY 2006.

Food and Drug Administration
Planned FY 2006 Research,
Demonstration and Evaluation (RD&E) Activities

Overview

FDA research is unique in the application of basic science to support its practical conclusions about complicated products that have consequences that may be nothing less than life or death. Likewise, FDA conducts applied research necessary to support its regulatory decisions on the public health product it regulates. In FY 2006, the Agency will continue to collaborate with other government agencies, industry, and academia to accomplish its research needs.

FDA reviews and makes decisions regarding new products that are the result of cutting-edge science. These decisions must be credible with our peers and the general public. Not only does our applied research help us obtain this credibility but it also provides useful insights for product developers as to how they can solve important technical problems, and helping to ensure that the FDA has adequate expertise to make appropriate decisions and develop regulatory policies in areas of increasingly complex science.

Given the rapid pace of technological changes used by our industry partners, we must maintain scientific credibility with strong FDA intramural, mission-relevant research programs to give us the tools needed to effectively carry out our public health mission by ensuring that the scientific information needed to perform that mission is available. A strong base of applied, intramural research provides an atmosphere that helps us to recruit and retain a high-quality scientific staff that can conduct science-based reviews. It also creates a platform from which agency staff can interact as respected, knowledgeable, and impartial colleagues with the external scientific community, especially with regulated industries in areas of rapidly advancing science and technology that require the involvement of the extramural community.

Examples of unique aspects of FDA research that result in major public health impacts include:

- Shorten review times – in house, cutting edge expertise reduces the need to postpone decisions until ad-hoc experts can be consulted or advisory committees assembled;

- Increase public confidence in and acceptance of new technologies through improved product safety, thus avoiding setbacks and defusing crises that could cause resistance to develop new technologies;

- Shorten product development times by familiarizing researchers with technologies that can help sponsors design and trouble-shoot assays, and enhance manufacturing processes; and,

- Keep FDA research scientists working at the cutting edge area of field to stay current at a time of rapid and explosive change and development.

FDA research contributes to a strong science base that improves and maintains the safety and effectiveness of regulated products. Applied studies assist in meeting FDA's regulatory mission and set standards for activities that include: laboratory techniques to determine if a drug, device, or biologic are safe and effective; and surveillance for unexpected threats to the public health from foods and medical products. The following briefly explains the planned research, demonstration and evaluation activities in FY 2006.

Research is an integral foundation to FDA's five Strategic Plan priorities:

- Improving FDA's Business Practices
  Ensure a world-class professional workforce, effective and efficient operations, and adequate resources to accomplish FDA's mission;

- Using Risk-Based Management Practices
  The use of science-based efficient risk management in all Agency regulatory activities, allowing FDA to allocate its limited resources to provide the most health promotion and protection at the least cost for the public;

- Empowering Consumers for Better Health
  Enable consumers to make smarter decisions by improving access to information so they can weigh the benefits and risks of using FDA-regulated products;

- Patient and Consumer Protection
  Seek continuous improvements in patient and consumer safety by reducing risks associated with FDA-regulated products; and,

- Protecting the Homeland -- Counterterrorism
  Strengthen FDA's capability to identify, prepare for, and respond to terrorist threats and incidents.

Protecting and Empowering Specific Populations

Mental Health and Drug Treatment

FDA scientists perform fundamental research to develop and validate quantitative biomarkers of neurotoxicity, which are then used for the comprehensive evaluation of neuroactive chemicals of concern to FDA regulatory centers. Our research program includes the availability of facilities for rodent and non-human primate research that help reduce the risk of extrapolating data across species whenever possible. Collaborative behavioral studies are being conducted in partnership with the Arkansas Children's Hospital.

Realizing the possibilities of the 21st Century Health Care

Organ and Donation Transplantation

FDA's programs are directed to facilitate the safe and effective use of transplantation through the characterization of transplantation quality, purity, safety and efficacy. Specific programs are aimed at defining the assays and methods needed to determine cell and tissue product quality and potency, and to evaluate specific product markers through genomics/proteomics and other technologies that provide predictive information about product efficacy and safety after administration. In addition, methods are evaluated that are used to identify product characteristics that predict success or failure of the transplant.

In addition to the research on transplantation, FDA also has programs related to the evaluation of artificial organs and organ assists. These projects include the evaluation of prosthetic heart valves, ventricular assists, stents, and bypass pumps. Other projects include new intra-ocular lens implants, retinal implants, cochlear and middle ear implants. Much of this research focuses on test method development that examines specific device attributes. Another contribution to this area includes modeling of artificial organs for laboratory investigations of function and biomaterial degradation of materials used in artificial organs.

Patient Safety, Quality, and Reducing Medical Errors

The concern for the safety and efficacy of drugs, biologicals, and devices directs the focus of FDA's research programs. Specific programs include: 1) development and validation of methods and biomarkers to detect drug-induced tissue injury and identify underlying mechanisms; 2) assessment of factors that contribute to variability in pediatric pharmacokinetics and/or pharmacodynamic studies, age-dependent metabolic changes, and developing mathematical models to predict drug transfer from mother's blood to milk to estimate drug exposure in breastfed infants; 3) development, improvement, and standardization of diagnostic tests for transmissible infectious agents in blood vaccines and cell/gene/tissue products; 4) measurement and standardization of potency and predicting adverse reactions to blood-based products; 5) developing potency, purity, and safety tests for prophylactic and therapeutic vaccines and anti-allergenic therapies; 6) evaluation of counterfeit products and product contaminants in a rapid and reliable manner; 7) assessment and management of the risk of vaccine neurotoxicity through the development of preclinical safety tests and post marketing studies for virus vaccines; 8) use of genomics to identify early signs of renal or hepatic failure; 9) improved methods for evaluation of drug-eluting stents and interventional cardiology devices; 10) performing testing of drugs where surveillance is required and, 11) development of performance assessment methodology for state-of-the-art diagnostic imaging system.

Ensuring our Homeland is Prepared to Respond to Health Emergencies

Research on Bioterrorism and Chemical Terrorism

FDA research programs to address bioterrorism issues are primarily focused on food defense, development of safe and effective drug treatments for counterterrorism measures, and research on vaccines and biological products used to prevent infection and treat bone marrow damage.

The priorities of FDA's food defense research program are based on determining the food/agent combinations that are of the highest concern. Mission-critical knowledge gaps are addressed through translational research accomplished through an integrated portfolio of intramural, extramural, and consortia-based (industry and/or academia) programs that address the need to anticipate, prevent, detect, respond, and recover from terrorists' assaults on the food supply. This requires research activities in five areas: (1) knowledge of the behavior of microbiological, chemical, radiological, and biologically-derived toxic agents in priority vulnerable foods during the stages of production, distribution, marketing, and preparation; (2) enhanced information on the susceptibility of the population to microbiological, chemical, radiological, and biologically-derived toxic agents via priority vulnerable foods; (3) identification and/or development of new techniques for "shielding" priority vulnerable foods through the development of new prevention and/or security technologies; (4) development of enhanced sampling and detection methods for priority agents in vulnerable foods including field deployable and in-line sensor-based screening, analytical, and investigational (forensic) technologies; and (5) development of effective methods for ensuring that critical food production and manufacturing infrastructure can be rapidly and effectively decontaminated in event of a terrorist attack. The mission-critical needs require that the research not stop at the generation of new knowledge and technologies, but also include the validation of those approaches under realistic conditions that reflect the diversity of the food industry, and the transfer of that technology to the appropriate sectors of the food industry.

In the development of safe and effective drug treatments as countermeasures, specific research programs include: animal models for systemic anthrax disease and for tularemia; animal studies in post-exposure prophylaxis of anthrax to evaluate the efficacy of antimicrobials appropriate for use in special populations; no-human primate studies to evaluate the efficacy of antimicrobials for pneumonic plague; development of antidotes to treat the effects from nuclear attacks; antidotes to chemical threat agents, such as cyanide; safety of drug countermeasures in special populations (e.g., pediatrics, pregnant women, and the elderly); and long-term safety of drug therapeutics. FDA will continue to participate with CDC in the Post-event Surveillance Working Group to develop processes for the collection of post-event safety and outcome information on products distributed due to a terrorist event. These programs are conducted through a combination of intramural programs and collaborations with DoD, NIH, and CDC.

FDA research on vaccines and biological products include programs supporting the licensure of new-generation smallpox vaccines and anthrax vaccines, new tests to define biomakers for vaccine efficacy by measuring vaccinia-specific immune responses, rapid and reliable new methods for determining vaccine potency for smallpox. Also included are new methods of evaluating smallpox vaccine safety prior to clinical use, identifying critical components of *Bacillus anthracis* important target treatment of patients suffering from anthrax infection, and information important to support the future development of improved vaccines for anthrax. For other agents, research includes approaches to evaluation of an effective and safe vaccine product for prevention of plague. This involves detecting and identifying the toxin, measuring its potency, and treating its effects. Other research involves developing biomarkers as correlates of immune protection for clinical studies using models for tularemia vaccines and development of multiple approaches for detection and identification of threat agents in low concentrations for medical diagnosis and assessment of product purity, including blood. FDA research also supports evaluating the efficacy and safety of use of licensed products to new medical countermeasure applications, including treatment for plague, and cyanide poisoning.

While the above are FDA's primary focus on bioterrorism, there is an Interagency Agreement with the Federal Aviation Administration for the development of test methods and drafting of voluntary standards for testing effects that emissions from security screening systems may have on medical devices.

Food Safety Research

For food safety, FDA's programs have components involving microbiological and chemical contaminants, biotechnology/allergenicity, seafood, dietary supplements, bacterial/viral pathogens in produc, noroviruses in foodworkes, mycooxins in grains, pechlorate in milk, acrylamide in baked foods, animal drug residues, color additives, and market studies. For the microbiology component, the determination of microbiological risk drives the research program. Included is work in microbial genetics, molecular virology, and the molecular nature of the human pathogens in the food supply combined with the characterization of the food-borne microbial pathogens. All this information is vital to our ability to develop risk assessment models for pathogens such as *Escherichia coli 0157:H7, Listeria monocytogenes, and Clostridium botulinum.* This work includes intramural and extramural programs and collaborations with the Illinois Institute for Technology, U.S. universities, food industry members, and the Joint Institute for Food Safety and Applied Nutrition. In addition, FDA has a collaborative program with CDC and ten public health laboratories involved in the National Antimicrobial Resistance Monitoring System (NARMS) to develop surveillance data on pathogens found in various foods.

While the above programs relate to the occurrence of selected pathogens in food, FDA also conducts studies on the emergence of antibiotic resistance in food pathogens following the feeding of antibiotics to food-producing animals. These studies investigate

how resistance develops, disseminates, and persists in the animal production environment. These studies include intramural and outside collaborations.

For chemical contaminants, biotechnology/allergenicity, seafood, animal drug residues, dietary supplements, and color additives the programs are focused on the development of detection methods. Examples of analytes used in method detection include pesticides, mycotoxin, dioxins, antibiotics in animal derived food, food allergens and Dry9C protein, bacterial and viral pathogens and toxins in seafood, botanicals, soy isoflavones, trans fatty acids, and confirmation analysis for colors. These programs involve intramural and extramural efforts and collaborations with the Illinois Institute for Technology, the Joint Institute for Food Safety and Applied Nutrition, and the University of Mississippi's National Center for Natural Products Research.

The market studies component of this work involves estimating changes in consumer and producer behavior in response to agency regulations and policies. In addition, the relationship between risk assessment and economic analysis is also explored. The Health and Diet Survey collects information on consumer knowledge, awareness, attitudes, and behaviors related to diet and health issues.

Understanding Health Differences and Disparities – Closing the Gaps

Health Disparities Research

FDA conducts research in health disparities investigating why specific people or groups of people may be prone to beneficial or adverse effects of specific therapies. The agency also studies: adverse events following the use of licensed products or exposure to chemical toxins in foods, drugs, cosmetics, and medical devices; the application of the results of animal testing to predict effects of products on humans; and the development and validation of high tech methods for human diagnostics, clinical trial biomakers, and product characterization, including purity and potential for cancer risk, e.g. DNA Microarray Technology.

Women's Health Research

Scientific evidence of the importance of sex differences throughout the lifespan is prevalent and impacts the risk-benefit analysis for products regulated by the FDA. The FDA will fund research on how these sex differences influence the prevention, diagnosis, and treatment of many illnesses, such as cardiovascular disease and related conditions, with a goal of decreasing the burden of these diseases in women. Results of these studies will serve as a basis for developing efficient risk management programs. Current research designed to fill the gap in information regarding use of prophylactic and therapeutic agents for counterterrorism in women – including pregnant women and the elderly – will be translated into information for consumers. FDA is developing a system to track relevant information such as the inclusion of women in clinical trials and the analysis of clinical data by sex, age, and ethnicity. This data will be analyzed and used to develop policy and standards for data collection and analysis, clinical trial design, and the dissemination of information regarding the risks associated with use of medical products.

Preventing Disease Illness and Injury

Prevention Research – General

A core component of the regulatory drug review function involves testing and research to develop and evaluate new scientific methods and testing paradigms. FDA develops new analytical methods, conducts research on human tissue metabolism, including human and animal studies relevant to human drug utilization, with a focus on pharmacology and toxicology research to establish the best models and end points for accurately predicting the clinical effects of therapeutics before these products enter into human testing. FDA also conducts intramural and collaborative research to provide a scientific basis for guidance development and regulatory decision making to ensure high standards of product quality and performance.

FDA studies the mechanisms by which various regulated products induce their intented effects, as well as unintended adverse effects. FDA reviews submissions aimed at inhibiting adverse events due to unwanted immune responses, such as autoimmune diseases or rejection of transplanted organs, and aimed at enhancing efficacy through promotion of desired immune responses, such as those responses that fight against infections or cancer. To facilitate review of such immunology-related submissions, FDA investigates the mechanisms by which immune cells are activated, suppressed or channeled.

Experimental and focus group studies use mail-intercept and internet methods to investigate qualified health claims for conventional foods and dietary supplements, the Emord-petitioned health claims for dietary supplements, and the proposed footnote that will accompany the trans fat declaration on the Nutrition Facts Panel. Focus groups will also investigate allergen labeling wording and formats and evaluate a variety of symbols and formats designed to provide consumers with "weight of evidence" information for qualified health claims.

Vaccines are the most cost-effective medical prophylactic treatment available. One serious public health threat, influenza, is caused by an easily communicated virus with ever-changing strains that, over time, may not be susceptible to the influenza vaccines in use. This requires continuing vaccine changes, with corresponding regulatory updates. The most concerning outcome would be a huge shift in influenza strain, rendering the current vaccine of little value and resulting in massive health crisis, known as pandemic influenza. To prepare for possible spread of a very novel strain of influenza virus, FDA research evaluates novel influenza immunization strategies that may confer immunity against large numbers of influenza virus strains.

FDA has an ongoing program to reduce or eliminate the spread of transmissible prions, responsible for Bovine Spongiform Encephalopathy, from cattle to human through medical products and food. Current programs focus on developing detection methods and evaluation of rapid tests for detecting prohibited material in animal feed and for

detecting the presence of prions in medical products such as blood and components used in manufacture of medical products such as vaccines.

Scientific evidence of the importance of sex differences in disease and illness throughout the lifespan is prevalent. However, there is a lack of evidence that explains the impact of these differences on disease prevention, and the impact of sex differences on the safety and efficacy of medical products used to prevent, disease. FDA programs will increase the understanding of gender differences in health and disease prevention and the results of such studies will improve prevention, of disease in women and men. The Agency is continuing development of a system to track demographic information such as the inclusion of women in clinical trials and the analysis of clinical data by sex, age, and ethnicity.

Prevention Research – Disease Specific

Asthma Prevention

Respiratory syncytial virus (RSV) causes severe and potentially life threatening lung disease in infants and small children, but there is currently no vaccine licensed for prevention of RSV. There appears to be an association between RSV infection and the increased risk of asthma developing and concerns have been raised regarding a need to better understand any potential relationship between vaccination for RSV and asthma risk. FDA research evaluates anti-RSV immune response in children infected with RSV that appears to be associated with childhood asthma to better asses the risk associated with RSV vaccines and other RSV immune therapies.

Cancer Prevention

Cancer research is focused on determining the "patient-specific" variability in women associated with reduction in treatment efficacy, such as those at higher risk of recurrence of breast cancer following high-dose radiation and chemotherapy. In addition, FDA research evaluates the "patient-specific" variability in susceptibility to the toxicities associated with specific chemicals (including production of other cancers) using new techniques to assess toxicities and carcinogenic risk.

Cardiovascular Disease Prevention

This component of FDA's Women's Health Program is focused on prevention, diagnosis, and treatment.

HIV/AIDS Prevention

FDA's work on HIV/AIDS focuses on the evaluation and acceptance of vaccines.

Agency Specific Priorities

Orphan Products Development

The goal of the Orphan Products Development (OPD) Grant Program is to encourage clinical development of products for treatment of rare diseases or conditions, affecting fewer than 200,000 persons in the U.S. Products studied include drugs, biologics, medical devices, and medical foods. Grant applications are solicited through a Request for Applications published annually in the Federal Register.

The OPD grant program corresponds with the RCC Research Themes and Priority Research Areas on several fronts. First, with regard to the specific research themes, it allows for research in a variety of areas including disabilities, healthy development of youth, mental health, organ transplantation, infant mortality, infectious diseases, and cancer. Secondly, OPD supported research falls within the following priority areas: Protecting and Empowering Specific Populations, Realizing the Possibilities of 21st Century Health Care, Understanding Health Differences and Disparities—Closing the Gaps, and Preventing Disease, Illness, and Injury. The OPD activities support FDA's mission to promote and protect the public health by helping safe and effective products reach the market in a timely way, and monitoring products for continued safety after they are in use.

FDA Intra-Agency Collaboration

FDA has identified several examples of research that have the potential for further intra-agency collaboration, including:

- Research being conducted at CDC on neural tube defects is closely related to similar studies being conducted on folic acid deficiencies;

- FDA is also establishing a microarray center in collaboration with the University of Arkansas for Medical Science and identified a potential scientific exchange within the Agency;

- FDA has established collaboration with the National Cancer Institute to jointly develop genomics programs for the characterization of cellular therapy products.

- FDA has conducted many studies, under reimbursable agreements, in non-human primates on the behavioral aspects of drugs of abuse, developing a battery of tests that can be used to measure operant behavior. These studies have the potential of complimenting similar studies being conducted at Substance Abuse and Mental Health Services Administration (SAMHSA);

- FDA in conjunction with CDC and several public health laboratories (PHL) have initiated research to determine the prevalence of antimicrobial resistant foodborne pathogens in the U.S. food supply. FDA leads the microbiological and

epidemiological parts of the NARMS-FOODNET retail program where CDC coordinates the PHL activities. Increased cooperation and coordination between FDA and CDC has been instrumental in expanding the NARMS program into a new area (retail meats) and has helped reduce duplication of similar research activities; and,

- FDA food safety and food security activities are highly collaborative within HHS most notably with CDC [e.g., PULSENET and FOODNET surveillance] and NIH [e.g., basic research on antimicrobial resistance, especially among zoonotic microbial pathogens, to assist in risk assessment].

FDA – How to Continue to Ensure Coordination of RD&E Activities

Currently, FDA participates in the RCC as well as other research coordinating groups including:

- DHHS Women's Health Coordinating Committee, which works to coordinate the women's health activities within the Department;

- American Council on Health and Science (ACHS)-sponsored CRISP system, a database originally created by NIH but available to all DHHS Agencies. This database allows users to access information regarding research projects conducted throughout the Department;

- FDA engages in the review of scientific literature and participates in numerous science forums, including the NIH Research Festival and the annual FDA Science Forum; and,

- FDA is a key member of the Interagency Coordinating Committee for the validation of alternative methods, which evaluates new testing methodologies and makes recommendations about their suitability for regulatory application. This ensures coordination of scientific acceptance of new methodologies among the fifteen participating U.S. agencies.

FDA will continue to be an active participant in RCC meetings and research reporting, as well as continue participation in other research coordinating groups throughout HHS to better utilize opportunities for coordination of RD&E projects.

FOOD AND DRUG ADMINSTRATION
RD& E Funding by Research Theme [1/]
FY 2006
(dollars in thousands)

Research Theme	TOTAL FY 2006
Protecting and Empowering Specific Populations	**$ 8,753**
Realizing the Possibilities of 21st Century Health Care	**$ 18,342**
Ensuring our Homeland is Prepared to Respond to Health Emergencies	**$ 78,894**
Understanding Health Differences and Disparities---Closing the Gaps	**$ 8,484**
Preventing Disease, Illness, and Injury	**$ 14,758**
Promoting Active Aging and Improving Long-term Care	**-**
OPDIV/Agency Specific Priorities [2/]	**$ 16,982**
TOTAL AGENCY RESEARCH FUNDING	**$ 146,213**

[1/] FDA reviews and makes decisions regarding new products that are the result of cutting-edge science. These decisions must be credible, not only with our peers, but also with the general public. Not only does our applied research help us obtain this credibility, but it also has the side benefits of providing useful insights for product developers as to how they can solve important technical problems, and helping to make sure that the Agency has adequate expertise to make appropriate decisions and develop regulatory policies in areas of increasingly complex science.

[2/] Orphan Products Development includes Orphan Products grants and related Administrative costs.

Food and Drug Administration
Extramural Grant Research - FY 2004

STATE	GRANTEE INSTITUTION	PROJECT TITLE	AMOUNT
AZ	University of Arizona	Clinical Trial of Scorpion Antivenom (US and Mexico)	$272,680
AZ	Arizona Department of Agriculture	Arizona Food Safety Task Force	$7,000
CA	Neurochem, Inc.	Safety & Efficacy of NC-503 in Secondary Amyloidosis	$297,874
CA	Los Angeles Biomedical Research Institute	L-glutamine Therapy for Sickle Cell Anemia	$347,409
CA	University of California	Immune Monitor for COG Trial of Anti-GD2 in Neuroblastoma	$269,783
CA	California Department of Health Services	California Food Safety and Security Agency Team Conference	$7,000
CO	CO Dept of Public Health & Environment	Colorado State Food Safety Task Conference	$7,000
DC	Children's Research Institute	Phase I Study of Pirfenidone in Children with PNS in NF1	$313,135
DC	D.C. Department of Health	District of Columbia Food Safety Task Force	$7,000
DC	Naval Research Laboratory	Multi-Analyte Array Sensor for Food-Borne Contaminants	$156,000
DE	Delaware Health and Social Services	Delaware Food Safety Council	$7,000
FL	University of Florida	Prevention of Dichloroacetate Toxicity	$426,657
IA	Iowa Department of Inspection & Appeals	Iowa State Food Safety Meetings	$7,000
IA	Iowa State University	Veterinary Antimicrobial Decision Support System (VADS)	$249,104
IL	Illinois Institute of Technology	National Center for Food Safety and Technology	$1,100,000
IL	Illinois Institute of Technology	National Center for Food Safety and Technology	$2,750,000
IL	BioTechPlex Corporation	High Content Screening for Epithelial Biology	$56,110
KS	Kansas Department of Health and Environment	Kansas Food Safety Task Force	$7,000
KY	Kentucky Cabinet for Health and Family Services	Kentucky Food Safety and Food Security Task Force	$6,427
KY	CRCPD	Assuring Radiation Protection	$428,771
MA	Children's Hospital	Clotrimazole Enemas for Pouchitis in Childrens and Adults	$9,163
MA	Children's Hospital	Clotrimazole Enemas for Pouchitis in Childrens and Adults	$224,604
MA	Trustees of Boston University	Effect of diflunisal on familial amyloisdosis	$348,406
MA	Dana-Farber Cancer Institute	Defibrotide for the Treatment of Severe Hepatic Veno-Occlusive	$371,000
MA	Massachusetts General Hospital	IMURAN Dose Ranging Study in Crohn's Disease	$369,671
MA	Children's Hospital Boston	Inhaled NO Pediatric Painful Sickle Crisis	$149,665
MA	Transkaryotic Therapies, Inc.	Assessment of Iduronate-2 Sulfatase in MPS II (AIM) Pivotal Trial	$300,000
MA	Harvard Pilgrim Health Care	Studies of Adverse Effects of Marketed Drugs	$299,953
MD	Johns Hopkins University	Investigation of Dose/Efficacy Properties of Intraventicular rt-PA in IVH	$374,040
MD	Johns Hopkins University	Intraventricular rt-PA Pharmacokinetic & Pharmacodynamic Study	$41,668
MD	EntreMed, Inc.	Recombinant Human Endostatin in Patient with Neuroendocrine	$300,000

MD	Kennedy Krieger Research Institute	Dextromethorphan in Rett Syndrome	$449,820
MD	John Hopkins University	Phase II Study of Rapamycin in Pancreatic Cancer	$429,198
MD	Johns Hopkins University	Growth Hormone use in Pseudohypoparathyroidism Type 1A	$163,522
MD	University of Maryland, College Park	Cooperative Agreement to Support the Joint Institute for Food Safety and Applied Nutrition	$535,000
MI	University of Michigan	Phase III Trial of Tgetrthiomolybdate I Initial Hepatic Wilson's Disease	$260,723
MI	University of Michigan	Phase III Trial of Tgetrthiomolybdate I Initial Hepatic Wilson's Disease	$3,453
MI	University of Michigan	Phase III Study of tetrathiomolybdate Does Regimen in Initial Neurological Wilson's Disease	$262,230
MI	University of Michigan	MIBG plus Intensive Chemotherapy for Neroblastoma	$351,133
MI	University of Michigan	Treatment of Graft-vs-Host Disease Using Enbrel	$228,016
MI	State of Michigan Agriculture Department	Michigan Food Safety Task Force Meetings	$7,000
MN	Minnesota State Dept. of Agriculture	State Food Safety Task Force Meetings	$7,000
MN	Center for Health Care Policy and Eval	Drug Safety Surveillance using UHG's Linked Databases	$300,000
MO	Missouri Dept of Health and Sr Services	Missouri Food Safety Task Force Conference Grant	$7,000
MS	Univeristy of Mississippi	Botnical Dietary Supplements: Science-Base for Authentication	$831,547
MS	University of Mississippi	Botnical Dietary Supplements: Science-Base for Authentication	$493,453
NC	Duke University Medical Center	Trial of Mycophenolate Mofetil in Myasthenia Gravis	$359,637
NC	Duke University Medical Center	PEG-uricase as Therapy for Refractory Gout	$462,000
NC	North Carolina Division of Public Health	North Carolina Food Safety and Security Task Force Meetins	$7,000
ND	North Dakota Department of Health	North Dakota Food Safety and Food Security Task Force	$7,000
NE	Nebraska Department of Agriculture	Nebraska Food Safety Task Force Conference	$7,000
NH	State of New Hampshire	NH State Food Safety Task Force Meetings	$7,000
NM	New Mexico State University	Improving Safety of Fresh Fruits & Vegetables - Design Contest	$106,000
NV	Nevada State Dairy Commission	Nevada Food Safety Task Force	$7,000
NY	New York University School of Medicine	Interaperitoneal Floxuridine in Gastric Carcinoma	$205,927
NY	Sloan-Kettering Institute for Cancer Res.	Risk-adapted Therapy for AL Amyloidosis	$196,788
NY	Columbia University Health Sciences	Treatment of Hypoparathyroidism with Parathyroid Hormone	$458,750
NY	New York State Dept. Agriculture & Markets	New York Food Safety Task Force Meeting	$7,000
NY	Esensors, Inc.	Patient Dose Tracking System for Fluoroscopic Procedures	$169,764
OH	University of Cincinnati	Cultured Skin Substitutes for Closure of Burn Wounds	$428,485
OH	Case Western Reserve University	Implanted Neuroprostesis for Standing after SCI	$364,796
OH	The Cleveland Clinic Foundation	Trial of GM-CSF for alveolar Proteinosis	$396,433
OH	Cincinnati Children's Hospital Medical Ctr	Trial of Alendronate Disodium in Pediatric Gaucher Disease	$370,517
OH	Case Western Reserve University	Restoration of Hand-Arm Function with Neuroprosthese	$226,673
OH	Children's Hospital Medical Center	Anti-IL-5 for Hypereosinophilia	$225,090
PA	University of Pittsburgh	Calcitriol & Dexamethasone for Myelodysplastic Syndromes	$425,499

PA	Drexel University College of Med	Controlled Study of Olanzapine in Children with Autism	$395,640
PA	Pennsylvania State University	Treatment of Advanced Pancreatic Cancer with Opioid Growth Factor	$309,076
PA	University of Pittsburgh	DC Tumor conjugate Accine for the Immunotherapy of CTCl	$222,750
PA	Agentase LLC	Biocatalytic Polymer Indicators of Fish Freshness	$354,601
RI	Rhode Island Department of Health	Support for Rhode Island State Food Safety Task Force Conference/Meetings	$7,000
SC	Medical University of South Carolina	Phase II Study of Alendronate in Juvenile Osteoporosis	$342,274
SC	South Carolina Department of Agriculture	South Carolina Interagency Food Safety Council	$7,000
SC	Interestate Shellfish Sanitation Conference	Shellfish Safety Assistance Project	$325,000
TN	Vanderbilt University Medical Center	Recombinant Human Growth Hormone in Renal Failure	$387,010
TN	Vanderbilt University Medical Center	Inhibition of NF-kB Signaling in Melanoma Therapy	$360,268
TN	Vanderbilt University	Multi-State Medicaid Post Marketing Surveillance Studies	$299,998
TN	Tennessee State University	Protein Markers for Verifying Inactivation of TSE Agents	$140,572
TX	University of Texas MD Anderson Cancer C.	Phase II Clinical/Pharmacodynamic Investigation of Clofarabine	$336,919
TX	Retina Foundation of Southwest	High Dose DHA and X-Linked Retinitis Pigmentosa	$366,177
TX	Texas Department of Health	Food Safety Task Force Conference Grant	$7,000
TX	University of Texas Med Branch	Database Approach for Predictio of Food allergenicity	$243,970
VA	Va Dept of Agriculture and Consumer Srvs	Virginia Food Safety Task Force Meetings	$7,000
WA	Children's Hospital & Regional Med Ctr	Ketorolac in Surgical Infants: Pharmacokinetics/analygesia	$119,549
WA	University of Washington	Optical Biosensor Technology for Food Safety	$199,930
WI	University of Wisconsin	Heat Treatment of Bacterial Spores in Dairy Products	$145,548
WY	Wyoming Department of Agriculture	Wyoming Food Safety Task Force Meetings	$7,000
Switzerland	World Health Organization	International programme on Chemical Safety	$90,000
Switzerland	World Health Organization	International programme on Chemical Safety	$20,000
		Grand Total	**$22,972,856**

Department of Health and Human Services
Food and Drug Administration
Fiscal Year 2006

Significant Items from FY 2005 House, Senate, and Conference Reports ~ FY 2006 Congressional Justification

The following section represents FDA's response to Congressional requirements or directives derived from House Report 108-584, Senate Report 108-340, and House Report 108-792.

HOUSE REPORT 108-584

Item

Prior Notice and Facility Registration — The Committee expects FDA to fully consider all comments received during the open comment period regarding the Interim Final Rule for Prior Notice of Imported Food Shipments. The Committee understands that a final rule will be issued in March 2005. The Committee is concerned about FDA's requirement—based in part on the statutory language in section 305 of the Bioterrorism Act—that all prior notices contain the registration number of the facility where the food was produced. This may impede the importation of certain foods, including wine and products imported into the U.S. for analytical testing or research and development (not for consumption), without materially adding to the security of the food supply. Alternatives when a person filing a prior notice cannot reasonably obtain the registration number of the facility in which the item to be imported was produced should be considered. (Page 85)

Action taken or to be taken

The Center for Food Safety and Applied Nutrition (CFSAN) has received and are considering all comments to the Interim Final Rule for Prior Notice of Imported Food Shipments as part of the rule making process. The Office of Regulatory Affairs (ORA) is providing feedback and providing any assistance that is needed to accomplish this. The current Compliance Policy Guide (CPG) - Guidance for FDA and CBP Staff Prior Notice of Imported Food under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 was updated on November 4, 2004 (http://www.cfsan.fda.gov/~pn/cpgpn4.html) to provide guidance to FDA and CBP staff when they encounter the prior notice situations described above. The policy contains several references which offer different scenarios related to what should be provided for the manufacturer's identity and registration. There are also scenarios whereby if after making a good faith effort, the submitter is unable to determine the manufacturers' registration they are allowed to transmit the manufacturers name and address in lieu of the registration. The submitter must also transmit a reason why the information is not being transmitted. The current CPG offers alternatives when a person can't determine the registration number of a manufacturer. The CPG also currently provides for broad enforcement discretion related to shipment of personal household goods, gifts, and samples of foods for analytical testing. We anticipate issuing the final rule later this year. The original publication goal of March 2005 was extended by 3 months when we extended the full enforcement compliance date from August 2005 to November 2005.

Item

Testing food products — The Committee expects FDA to establish a mechanism for providing prior notice without a manufacturer's facility registration number for food products that are imported for analytical testing or research and development activities that do not involve consumption by humans or animals. (Page 86)

Action taken or to be taken

The current Compliance Policy Guide (CPG) - Guidance for FDA and CBP Staff Prior Notice of Imported Food under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 was updated on November 4, 2004 (http://www.cfsan.fda.gov/~pn/cpgpn4.html) to provide guidance to FDA and CBP staff when they encounter the prior notice situations described above. The policy contains several references which offer different scenarios related to what should be provided for the manufacturer's identity and registration. There are also scenarios whereby if after making a good faith effort, the submitter is unable to determine the manufacturers' registration they are allowed to transmit the manufacturers name and address in lieu of the registration. The submitter must also transmit a reason why the information is not being transmitted. The current CPG offers alternatives when a person can't determine the registration number of a manufacturer. The CPG also currently provides for broad enforcement discretion related to shipment of personal household goods, gifts, and samples of foods for analytical testing.

FDA is also considering all of the comments we received on the prior notice interim final rule during the open comment period as we develop the final rule, including comments on the issue identified above. Until we consider the comments in light of the statutory language, we will not be able to conclude that we will definitively will "establish a mechanism for providing prior notice" for such samples in the final rule, but we will consider this issue fully. We anticipate issuing the final rule later this year. The original publication goal of March 2005 was extended by 3 months when we extended the full enforcement compliance date from August 2005 to November 2005.

Item

Women's health – The Committee recommendation includes an increase of $325,000 above the budget request for the Office of Women's Health, for a total of not less than $4,000,000. Part of this office's mission is to determine if we are designing systems and collecting data to find the crucial differences between women and men's diagnoses, treatment, and outcomes for a given disease. Coronary heart disease is a predominant cause of mortality in women in the United States, and studies have shown that women differ from men in the symptoms they present, the effectiveness of diagnostic testing, success of treatment regimens, and their prognoses.

The Committee directs that, in addition to base resources for that purpose, $250,000 of the increase amount is to be used for research, data analysis, and outreach related to cardiovascular disease in women. The Committee provides $75,000 of the increase amount for continuation and expansion of the hormone therapy education program. (Page 86)

Action Taken or To Be Taken
The Office of Women's Health has identified heart disease in women as its priority for current and future initiatives in FY05. In FY 2004, OWH issued a solicitation for research projects to address important issues related to FDA products and heart disease in women. In response to this solicitation, OWH funded three projects: 1) Use and Outcomes of Coronary Stents in Women: Use of a National Medicare Database, 2) Reduced Efficacy of Ace Inhibition in women with Chronic Heart Failure, 3) Transmission Attenuation Correction for Female Patients undergoing Mycocardial Perfusion Imaging: Correction for Confounding Breast Tissue Artifact. OWH will monitor the progress of these research projects and fund additional intramural or extramural research to help prevent heart disease in women. In addition, OWH will review the results of funded research and generate consumer-friendly information for women.

Item
Spending for the Generic Drugs Program — The Committee commends the Agency for making progress over the past several years in expediting the review of generic drug applications. In order to ensure that this success continues, the Committee directs FDA to maintain spending for this program at not less than $56,000,000. (Page 87)

Action taken or to be taken
FDA has made significant progress in recent years in expediting the review of generic drug applications and will strive to maintain that progress. To that end, we intend to maintain spending for the Generic Drug Review Program at a level not less than $56,000,000.

Item
Rare Diseases Clinical Trials and Drug Evaluation — The Committee supports rapid access to therapeutics for children and adults with rare diseases. The Committee encourages the FDA to make the best possible use of FDA's Advisory Committee members in FDA's considerations of clinical trial design and allow the same panel to participate in final review meetings, when feasible. The Committee supports utilization of qualified independent consultants as reflected in the draft guidance document ''Independent Consultants for Biotechnology Clinical Protocols'' issued in May 2003. The Committee encourages exploration of potential surrogate endpoints and use of the fast-track process, where appropriate, to make drugs available as early as possible for serious and life-threatening orphan diseases. (Page 87)

Action taken or to be taken
FDA supports development of drugs to treat rare diseases and we have a very good track record for prompt assessment of such drugs. Regarding the issue of clinical trial design, FDA has, through the provisions of the Orphan Drug Act, an ongoing program for orphan product protocol and product development assistance that has helped many sponsors develop appropriate clinical trials. The FDA also welcomes pre-IND, end of phase 2 and pre-NDA meetings. It should be noted that sponsors usually consult with recognized experts in the orphan disease and bring them to meetings with FDA. Indeed, such experts usually conduct the studies.

In addition, FDA supports the use of advisory committees to provide advice on approaches to clinical trial design and analysis for Orphan and Rare diseases, particularly where there is

uncertainty over the appropriate course of action and/or likely disagreement between company and FDA.

We will continue to work with sponsors and outside experts to ensure that development programs for rare diseases are based on sound science and focus on increasing the availability of treatment options to patients while also ensuring that patients are not put at unnecessary risk of harm. To that end, we support the use of surrogate markers provided that they have biological and medical plausibility. Reliance on a surrogate endpoint must be determined case by case. Under our accelerated approval rule and FDAMA, for serious diseases with no good treatment, FDA can rely on surrogate endpoints considered reasonably well developed to lead to a clinical benefit as a basis for approval, with definitive clinical data to be obtained after the drug is marketed.

Item

Labeling of Genetically Modified Foods: Final Rule — In January 2001, FDA issued a proposed rule concerning food developed through biotechnology. As proposed, the rule would require food developers to notify FDA at least 120 days in advance of their intent to market a food or animal feed developed through biotechnology and to provide information to demonstrate that the product is as safe as its conventional counterpart. The comment period ended April 3, 2001. The Committee expects the Agency to make this matter a high priority, and finalize both the pre-market notification rule as well as the related guidance document that assists manufacturers who wish to label their food products as being made with or without ingredients developed through biotechnology. (Page 87)

Action taken or to be taken

FDA utilizes a process under which any firm that intends to market a food developed through biotechnology is encouraged to consult with FDA and to submit to the Agency a summary of the firm's safety and nutritional assessment. This process is working well; companies have continued to appropriately consult with the Agency. In addition, FDA has provided advice to developers and marketers on labeling foods and food ingredients as being made with or without bioengineered products. FDA believes that these practices fully protect the public health. In view of these existing protections, we are focusing our limited resources on those other high priority areas where protections need to be enhanced. We are continuing to monitor the success of these actions, and will consider additional action if it becomes necessary.

Item

Shellfish safety — The Committee expects that FDA will continue its work with the Interstate Shellfish Sanitation Commission (ISSC) to promote educational and research activities related to shellfish safety in general, and Vibrio vulnificus in particular. The Committee directs the use of not less than $250,000 for this effort. In addition, the committee expects that FDA will continue its work with ISSC through a memorandum of understanding, and that FDA will devote not less than $200,000 to that work. The Committee is concerned that some states are taking actions outside the ISSC process and expects the FDA to urge all states to work cooperatively in conformity with the National Shellfish Sanitation Program implemented by the ISSC. (Page 88)

Action taken or to be taken
In FY 2004, CFSAN/FDA continued to work with the Interstate Shellfish Sanitation Conference (ISSC) to implement a control strategy for Vibrio vulnificus in raw oysters that was developed in July 2001. Accomplishments this year include: (1) a 28% reduction in V. vulnificus illnesses in the core reporting states reported for 2002 compared to the baseline data and a 25% reduction reported for 2003. It is too early to assess whether this will continue as a trend in the future; (2) completion of research on the effectiveness of on-board or dockside refrigeration at reducing V. vulnificus levels in oysters, with a demonstration of positive effects on risk reduction; (3) continuation of ISSC funding for research to study the effectiveness of "dockside" controls, including publication of a study on "dockside" icing by University of Florida; (4) continuation of research by FDA on virulence markers in V. vulnificus and V. parahaemolyticus, useful in epidemiology and risk assessment; and, (5) continued efforts by the ISSC and by the principle V. vulnificus illness reporting states to educate at-risk consumers and health professionals on the risks of consuming raw oysters.

Item
Test method evaluation — The Committee directs that the agency continue its contract to conduct method evaluation of rapid test methods of fresh fruits and vegetables for microbiological pathogens with New Mexico State University's Physical Science Laboratory at the fiscal year 2004 level. (Page 88)

Action taken or to be taken
Through a Department of Defense contract, FDA continues to support New Mexico State University's Physical Science Laboratory in evaluating rapid test kits for microbiological analyses. Physical Science Laboratory (PSL) continues to assess potential rapid methods for particular analyte/food combinations which are essential before implementation in the regulatory arena. PSL will also be evaluating test methods for chemical analysis. In FY 05, FDA will maintain funding with PSL at the FY 2004.

Item
WERC – The Committee expects the FDA to continue its support for the Waste Management Education and Research Consortium [WERC] and its work in food safety technology verification and education at no less than the fiscal year 2004 level. (Page 88)

Action taken or to be taken
In FY 2001 FDA awarded a five-year grant to the Waste Management Educational Research Consortium. Funding of the grant in FY 2005 will be at no less than the fiscal year 2004 level.

Item
Antibiotics in shrimp imports — The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. The Committee recommends that the FDA, in cooperation with any state testing programs, continue testing of farm-raised shrimp imports for chloramphenicol and other related harmful antibiotics used in the aquaculture industry and ensure that any adulterated shrimp that tests

positive for chloramphenicol or other banned antibiotics will be destroyed or exported from the United States. (Page 88/89)

Action taken or to be taken
FDA continues to sample and test for chloramphenicol in shrimp. The Agency has validated, and is employing, the most current test methods for chloramphenicol. As a result of this routine use of best available technology as it reaches maturity and is validated, the limit of detection for chloramphenicol was reduced from 5.0 parts per billion (ppb) down to 1.0 ppb over a year ago and has recently been further reduced to 0.3 ppb. FDA has also validated a commercially available, rapid immunodiagnostic test kit.

Samples are now being analyzed at the lower limit of detection of 0.3 ppb, with 420 shrimp samples collected and analyzed between 8/19/03 to 8/20/04. Fourteen of these were found to be positive, with corresponding shipments refused entry, and subsequent shipments from these firms to be detained without physical examination.

Recently a method for detection of nitrofuran residues in shrimp, another aquaculture drug of concern, has been developed and validated with a detection limit of 1ppb. The Agency has included this drug in the current sampling program of imported and domestic shrimp.

Item
(BSE) *FDA rule* – On January 26, 2004, in response to the BSE case in Washington state, FDA announced it was issuing new rules banning various bovine-derived material from human food and cosmetics, prohibiting feeding mammalian blood products and several other substances to ruminants, and requiring separation of the production of ruminant and non-ruminant feed. In announcing the new rules, Secretary Thompson said, `this is the time to make sure the public is protected to the greatest extent possible.' The Committee is very concerned that FDA has still not published these rules nearly five months later. In the absence of the new rules, compliance with the proposed new safeguards is not required. The Committee directs FDA to issue these rules at the earliest possible time. (Page 89)

Action taken or to be taken
On July 14, 2004, FDA published an Interim Final Rule, effective immediately, banning use of specified risk materials (SRMs), and other prohibited cattle materials in foods and cosmetics. Prohibited cattle materials include SRMs from cattle 30 months of age and older, small intestine of all cattle, materials from nonambulatory disabled cattle, material from cattle not inspected and passed for human consumption, and mechanically separated beef. At the same time, the agency also published a companion proposed rule to require records, to be made available to FDA, documenting that prohibited cattle materials were not used in these products. The agency is in the process of finalizing this proposed rule.

Also on July 14, 2004, FDA and USDA published a joint Advanced Notice of Proposed Rulemaking seeking comments on feed controls recommended in the International Review Team's (IRT) February 4, 2004 Report. In the July 14, 2004 ANPRM, FDA also announced that the agency had tentatively decided to implement the IRT's main recommendation, which was to

prohibit the use of specified risk materials (SRMs) in all animal feed. FDA is currently working on a proposed rule to address the use of SRMs in animal feed.

Item

Recall Improvement - The committee directs FDA to list on all FDA recall press releases the website address of the manufacturer of the recalled product--if any-- and, when it will assist consumers and the media in identifying it, a photograph of the recalled product and/or product label. The Committee further directs FDA to ask the manufacturer to voluntarily provide information on retail outlets of the product for inclusion on the FDA press release. (Page 89)

Action taken or to be taken

FDA continues to revise and improve its recall alert processes and its automated Recall Enterprise System. Currently, the public is notified of all Class 1 Recalls, with few justified exceptions, through media coverage of a press release issued to the proper media outlet by either the recalling firm or the FDA. This includes, when appropriate, listing the website of the firm recalling a product in the FDA press release, including photographs or label of recalled products when it is available to FDA, and when it will assist consumers and the media, and where practical and permitted under the information disclosure provisions of the law, provide information on retail outlets of the recalled product in the FDA press release.

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Item

Codex Alimentarius – Within the total funding available, at least $2,500,000 is for FDA activities in support of Codex Alimentarius. (Page 149)

Action taken or to be taken

In FY 2005, FDA will devote no less than $2,500,000 in resources (e.g., pay costs, travel, materials) in order to continue Agency activities in support of Codex Alimentarius. These total expenditures for Codex Alimentarius are based upon the dealings of FDA's Center for Food Safety and Applied Nutrition, the Center for Veterinary Medicine, the Office of International Programs and other organizations within the Office of the Commissioner.

Item

Agricultural Products Food Safety Laboratory- The Committee provides an increase of $250,000 above the FY 2004 funding level for the FDA to expand its contract with New Mexico State University's Physical Sciences Laboratory to operate the Food Technology Evaluation Laboratory, which conducts evaluation and development of rapid screening methodologies, technologies, and instrumentation; and to provide technology deployment modeling and data analysis for food safety and product safety in order to facilitate FDA's regulations and responsibilities in food safety, product safety, homeland security, bioterrorism, and other initiatives. (Page 149)

Action taken or to be taken

Through a Department of Defense contract, FDA continues to support New Mexico State University's Physical Science Laboratory in evaluating rapid test kits for microbiological

analyses. Physical Science Laboratory (PSL) continues to assess potential rapid methods for particular analyte/food combinations which are essential before implementation in the regulatory arena. In FY 2005, PSL will also be evaluating test methods for chemical analysis.

Item
WERC - The Committee expects the FDA to continue its support for the Waste Management Education and Research Consortium [WERC] and its work in food safety technology verification and education at no less than the fiscal year 2004 level. (Page 149)

Action taken or to be taken
In FY 2001 FDA awarded a five-year grant to the Waste Management Educational Research Consortium. Funding of the grant in FY 2005 will be at no less than the fiscal year 2004 level.

Item
Alaska Food Inspection Contract - In addition, the funding provided for food safety will ensure the continuation of food contract inspections in the State of Alaska. Specifically, it will allow the FDA to renew its contract with the State of Alaska for inspections of food and seafood processors operating in Alaska. The current contract became effective on June 12, 2003. It will fund at least 292 inspections, approximately 272 seafood/HACCP inspections and 20 other food inspections, at a cost of approximately $269,000. The establishments to be inspected will be mutually agreed upon by FDA and the State of Alaska. (Page 149)

Action taken or to be taken
FDA continues its contract with the State of Alaska for inspections of food and seafood processors operating in Alaska. The current contract became effective on June 12, 2003. The contract consisted of approximately $269,000 to fund approximately 272 seafood/HACCP inspections; and, 20 other food inspections. In FY05, the proposal for Alaska will be for 386 total inspections (346 Seafood and 40 Food). Once we achieve this level of inspections, the numbers of inspections and funding will remain stable for the foreseeable future to allow for better annual planning for the State and FDA.

Item
Seafood Safety – General Accounting Office [GAO] reports on the safety of seafood have documented the inadequacy of the FDA efforts to address foodborne hazards in seafood, including shellfish. GAO found FDA's seafood inspection system provides consumers with inadequate protection for seafood-related foodborne illness. The Committee urges FDA to promote the development of new food safety technologies such as irradiation, flash freezing, high-pressure processing, or others that can cost-effectively reduce the incidence of pathogens, and technologies that can ensure constant safe temperatures of seafood throughout the food chain.

The Committee supports the ongoing work of the Interstate Shellfish Sanitation Conference and its joint efforts with the FDA and the shellfish industry to formulate shellfish safety regulations through the National Shellfish Sanitation Program. The Committee recommends no less than the fiscal year 2004 level be directed through the Office of Seafood Inspection to continue these activities, and directs that $200,000 be directed to the Interstate Shellfish Sanitation Conference for the Vibrio Vulnificus Education Program.

The Committee is concerned that FDA has not taken effective action to address foodborne illness risks from the consumption of raw shellfish. In particular, the Committee is concerned that the ISSC proposed steps to reduce the rates of death and illness due to consumption of Vibrio vulnificus-contaminated raw shellfish may not effectively address public health concerns. (Page 149/150)

Action taken or to be taken

FDA's policy specifically encourages the use of new technologies that are effective in controlling human food safety hazards but does not promote any specific technology. For seafood, FDA is always interested in understanding new technologies and the extent to which they succeed in controlling food safety hazards. FDA occasionally engages in research on the effectiveness of new technologies to control certain hazards. Where new technologies are known to work, FDA might make reference to them in hazards and controls guidance that it develops for seafood processors. FDA takes new technologies into account in various other ways. For example, FDA recently worked with the Interstate Shellfish Sanitation Conference to develop a national control plan for Vibrio vulnificus. That plan relies substantially on the existence of emerging new post harvest treatment technologies to kill this organism.

Item

Chloramphenicol – The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. The Committee encourages FDA to use any available funding, in cooperation with State testing programs, to substantially increase the percentage of farm-raised shrimp imports tested for chloramphenicol and other related harmful antibiotics used in the aquaculture industry. Further, FDA is encouraged to develop a program for testing existing U.S. cold-storage inventories of farm-raised shrimp originating from countries known to use chloramphenicol or other banned antibiotics, and to ensure that any shrimp that tests positive for these substances will not be subsequently consumed. (Page 150)

Action taken or to be taken

FDA continues to sample and test for chloramphenicol in shrimp. The Agency has validated, and is employing, the most current test methods for chloramphenicol. As a result of this routine use of best available technology as it reaches maturity and is validated, the limit of detection for chloramphenicol was reduced from 5.0 ppb down to 1.0 ppb over a year ago and has recently been further reduced to 0.3 ppb. FDA has also validated a commercially available, rapid immunodiagnostic test kit.

Samples are now being analyzed at the lower limit of detection of 0.3 ppb, with 420 shrimp samples collected and analyzed between 8/19/03 to 8/20/04. Fourteen of these were found to be positive, with corresponding shipments refused entry, and subsequent shipments from these firms to be detained without physical examination.

Recently a method for detection of nitrofuran residues in shrimp, another aquaculture drug of concern, has been developed and validated with a detection limit of 1ppb. The Agency has included this drug in the current sampling program of imported and domestic shrimp.

Item
HACCP – The Committee also continues its concern with the agency's failure to bring FDA-regulated seafood into compliance with HACCP. However, the Committee is aware that special or unique circumstances may exist for particular seafood processors. While ultimate HAACP compliance is not in question, the Committee is specifically aware of Hawaii's lengthy and culturally important history of hook-and-line fisheries, auction markets, and the high consumption of raw tuna and other pelagic fish in Hawaii, and strongly encourages the Agency to take into account both the history and the industry's practical experience in approving a plan that is consistent with healthy seafood products and national standards for seafood safety. (Page 150)

Action taken or to be taken
FDA's seafood HACCP program is designed to allow for unique processing situations. Processors may design one-of-a-kind HACCP systems to accommodate their own circumstances so long as they meet minimum national standards for safety. It is not realistic, however, to expect or allow for gradations of safety in products sold for profit in interstate commerce based on culturally based processing practices at the point of origin.

The longstanding issue to which the Senate language applies involves proper handling practices on board fishing vessels to insure that tuna do not form scombrotoxin as a result of time/temperature abuse. Scombrotoxin is one of the three most frequently reported illnesses from seafood in the United States and is completely avoidable. In this case, the issue involves what constitutes proper handling of fish that are allowed to die and remain in the water for some time before they are landed on the boat. Once a tuna dies, it can begin to decompose and form scombrotoxin if not properly chilled. FDA's Office of Seafood has engaged in a continuing dialog with the auction house in Hawaii on how it can most effectively and practically ensure the control of scombrotoxin as a result of the death of tuna and other species while still on the line. Agreement has been reached on the overall mechanism for control, and it is expected that the details will be resolved in the very near future. The Office of Seafood will continue to conduct complementary research in this area this year. Such research was delayed last year as a result of extensive hurricane damage in the Caribbean.

Item
Farmed Salmon – The Committee has been advised that farmed salmon imported from overseas is fed feed with chemical additives to change the color of its flesh or the flesh is artificially dyed. A lawsuit was recently filed against national grocery chains alleging they do not adequately label the fish which are dyed. The Committee directs the Food and Drug Administration to continue to monitor information concerning the safety of the use of such additives and dyes in seafood and to more aggressively enforce the clear and conspicuous disclosure of such additives and dyes to consumers on consumer packaging. (Page 150)

Action taken or to be taken
Under the Federal Food, Drug and Cosmetic Act, retailers are required to label salmon that has been colored by the use of astaxanthin or canthaxanthin to clearly denote that the food has had

color added. The FDA will continue to monitor information concerning the safety of the use of such additives in seafood.

Item
Chloramphenicol – The Committee continues to have serious concerns regarding seafood safety issues posed by banned antibiotic contamination in farm-raised shrimp imports. The Committee recommends that the FDA, in cooperation with any state testing programs, continue testing of farm-raised shrimp imports for chloramphenicol and other related harmful antibiotics used in the aquaculture industry and ensure that any adulterated shrimp that tests positive for chloramphenicol or other banned antibiotics will be destroyed or exported from the United States. (Page 150)

Action taken or to be taken
FDA continues to sample and test for chloramphenicol in shrimp. The Agency has validated, and is employing, the most current test methods for chloramphenicol. As a result of this routine use of best available technology as it reaches maturity and is validated, the limit of detection for chloramphenicol was reduced from 5.0 ppb down to 1.0 ppb over a year ago and has recently been further reduced to 0.3 ppb. FDA has also validated a commercially available, rapid immunodiagnostic test kit.

Samples are now being analyzed at the lower limit of detection of 0.3 ppb, with 420 shrimp samples collected and analyzed between 8/19/03 to 8/20/04. Fourteen of these were found to be positive, with corresponding shipments refused entry, and subsequent shipments from these firms to be detained without physical examination.

Recently a method for detection of nitrofuran residues in shrimp, another aquaculture drug of concern, has been developed and validated with a detection limit of 1ppb. The Agency has included this drug in the current sampling program of imported and domestic shrimp.

Item
Mercury – In March 2004, the FDA and the Environmental Protection Agency released a revised joint dietary advisory on mercury in seafood. During the development of the advisory, the Committee understands that significant information gaps were found in what consumers, especially sensitive populations such as women who are or may become pregnant and young children, know about mercury levels in various seafood species. The Committee encourages FDA to implement an outreach and education effort with physicians and other appropriate outlets in order to increase awareness among potentially affected consumers, and to measure the effectiveness of the efforts on target group behavior and impact on their overall consumption of seafood. (Page 150)

Action taken or to be taken
FDA and EPA are jointly sponsoring a public education campaign to reach women planning on becoming pregnant, pregnant women, nursing mothers, and parents of young children about the methylmercury advisory. An extensive outreach effort to over 9,000 print and electronic media outlets, including outlets that specialize in reaching women, has been conducted.

Information about the advisory has been sent to over 50 organizations of health care providers to women and children, such as the American Academy of Pediatrics; the American Academy of Family Physicians; the American College of Obstetricians and Gynecologists; the American College of Nurse Midwives; directors of the Women, Infant, and Children (WIC) program; and all local health departments. The advisory has also been distributed through exhibits at medical professional association meetings that took place in 2004 and will be distributed at similar meetings scheduled during 2005.

Brochures about the methylmercury advisory have been sent to all practicing pediatricians, obstetricians and gynecologists, nurse midwives, and nurse practitioners and physician assistants specializing in pediatrics or obstetrics throughout the country for distribution through their offices. These health professionals are able to order additional copies of the brochure as needed from FDA and EPA to provide to their patients. In November and December of 2004, EPA and FDA were filling additional requests for these brochures at a rate of approximately 35,000 brochures per week.

An educational program for pregnant women on food safety for use by health educators will be launched in spring 2005 that will highlight information from the methylmercury advisory. This program will include an educational video and a curriculum and will be sent to 35,000 health educators working with pregnant women. A special web page for pregnant women will be part of the program.

Special funding has been set aside for community outreach efforts in several different geographic locations to ensure that the message reaches women in special populations at greater risk for illness. Examples include Native Americans and certain Hispanic and Asian groups who have high fish consumption practices. Some of these projects are already underway; others will begin during 2005.

A Federal-State Working Group on the Coordination of Methylmercury advisories has been established to examine ways to join the federal advisory with the state advisories as much as possible.

This outreach campaign will be evaluated through the FDA-USDA consumer survey on food safety knowledge, attitudes, and behaviors that will be completed in 2005.

Item

Dietary Supplements – The Committee believes that the potential for dietary supplements to have positive health benefits has been realized in many cases. However, it is essential that FDA continue its efforts to ensure their safety, and to fully enforce the prohibition of false, misleading or unsubstantiated claims regarding dietary supplements implemented in the Dietary Supplement and Health Education Act [DSHEA] of 1994. The budget request includes total funding of approximately $5,360,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately $1,500,000 is for dietary supplements. (Page 151)

Action taken or to be taken
FDA will continue efforts to ensure the safety of dietary supplements and, consistent with resources and priorities, to effectively implement the Dietary Supplement and Health Education Act (DSHEA) of 1994. As described in FDA's November 2004 announcement on the Regulatory Strategy for the Further Implementation of DSHEA, FDA will allocate resources to regulate dietary ingredient and product safety, quality, and labeling in the interests of public health and consumer use of dietary supplements. The Agency is committed to spending no less than $5,360,000 for CAERS related work in FY 2005.

Item
Natural Center for Natural Products Research – FDA has indicated that the ability to identify and analyze specific components in ingredients, including botanical ingredients, is an essential component of research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. The Committee expects the same level of review of botanicals in dietary supplements to continue in fiscal year 2005. This work is being carried out by FDA in collaboration with the National Center for Natural Products Research, Oxford, MS. (Page 151)

Action taken or to be taken
The work performed by the National Center for Natural Products Research in Oxford, Mississippi to identify and analyze specific components in dietary supplement ingredients, including botanical ingredients, has become an essential component of FDA's research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. FDA will continue with the same level of review of botanicals in dietary supplements in fiscal year 2005.

Item
Standards of Identity - The Committee is aware of the ongoing debate surrounding increased importation and use of milk protein concentrate. A [Government Accountability] Office investigation highlighted a dramatic increase in milk protein concentrate imports. The Committee remains concerned with FDA's current lack of enforcement of standards of identity as it relates to the potential illegal use of milk protein concentrate in standardized cheese. (Page 151/152)

Action taken or to be taken
In FY 2002/2003, the Center for Food Safety and Applied Nutrition (CFSAN)/FDA (1) conducted inspections at specific cheese manufacturing sites to determine compliance with the cheese standards and to document the use of Milk Protein Concentrate in standardized cheeses and, as a result, issued warning letters to some cheese manufacturers using MPC in standardized cheese; (2) conducted a thorough review of the two petitions requesting the use of filtered milk in standardized cheeses and, subsequently, closed the petition submitted by the American Dairy Products Institute and converted it to a comment to the petition submitted by the National Cheese Institute; and (3) developed a proposed rule to provide for the use of fluid ultrafiltered milk in standardized cheeses.

In FY 2004, CFSAN/FDA issued reports to Congress on the status of petitions regarding the use of ultrafiltered milk, casein, or MPC in standardized dairy products. CFSAN/FDA did not receive any new petitions in FY 2004.

In FY 2005, CFSAN/FDA intends to publish a proposed rule to amend the definition of "milk" and "nonfat milk" in cheese standards to provide for the use of fluid ultrafiltered milk.

Item

Tissue Safety – In 1997, the FDA proposed rules that would regulate human cells, tissues, and related products. As of May 2004, the FDA has finalized the first two of the three proposed rules. The Committee remains concerned that the third rule, which would provide guidelines for current good manufacturing practices for establishments that produce human cells, tissues, and related products, has not yet been finalized. (Page 152)

Action taken or to be taken

The Food and Drug Administration (FDA) announced on November 18, 2004, the issuance of a final rule on current good tissue practice (GTP), the last of three rules to be finalized as part of the Agency's overall plan to make human cells and tissues even safer. GTP includes the methods, facilities and controls used to manufacture these products. With this final rule, FDA's efforts to establish a new, comprehensive, and risk-based approach to this promising and innovative field of medicine can be realized. The new approach will be fully implemented on May 25, 2005.

The new rule, entitled "Current Good Tissue Practice for Human Cell, Tissue, and Cellular and Tissue-Based Establishments; Inspection and Enforcement," requires manufacturers to recover, process, store, label, package and distribute human cells, tissues and cellular and tissue-based products (HCT/Ps) in a way that prevents the introduction, transmission, or spread of communicable diseases. The regulations apply to a broad range of these products including musculoskeletal tissue, corneas, human heart valves, dura mater (lining of the brain) and cellular therapies.

The final GTP rule follows the earlier publication of FDA's final regulations on registration of human tissue establishments and the eligibility of human tissue donors. The rule also includes a requirement for manufacturers to report certain adverse reactions and HCT/P deviations, to have labeling that contains accurate and complete information, and to allow FDA inspections to ensure compliance with regulations.

Item

Rare Diseases Clinical Trials and Drug Evaluation – The Committee supports rapid access to therapeutics for children and adults with rare diseases. It is the view of the Committee that improvements can be made with respect to clinical trial design and FDA Advisory Committees. The Committee encourages the FDA to make the best possible use of FDA's Advisory Committee members in FDA's considerations of clinical trial design and allow the same panel to participate in final review meetings, when feasible. The Committee supports utilization of qualified independent consultants as reflected in the draft guidance document `Independent Consultants for Biotechnology Clinical Protocols' issued by CBER/CDER on May 12, 2003. The Committee encourages enhanced exploration of potential surrogate endpoints and use of

FDAMA's fast-track provision, where appropriate, to make drugs available as early as possible for serious and life-threatening orphan diseases that have no treatment. The Committee believes these policy enhancements will lead to more efficient and timely evaluation of rare disease therapeutics and further stimulate private sector investment in rare disease research. (Page 153)

Action taken or to be taken
FDA supports development of drugs to treat rare diseases and we have a very good track record for prompt assessment of such drugs. Regarding the issue of clinical trial design, FDA has, through the provisions of the Orphan Drug Act, an ongoing program for orphan product protocol and product development assistance that has helped many sponsors develop appropriate clinical trials. The FDA also welcomes pre-IND, end of phase 2 and pre-NDA meetings. It should be noted that sponsors usually consult with recognized experts in the orphan disease and bring them to meetings with FDA. Indeed, such experts usually conduct the studies.

In addition, FDA supports the use of advisory committees to provide advice on approaches to clinical trial design and analysis for Orphan and Rare diseases, particularly where there is uncertainty over the appropriate course of action and/or likely disagreement between company and FDA.

We will continue to work with sponsors and outside experts to ensure that development programs for rare diseases are based on sound science and focus on increasing the availability of treatment options to patients while also ensuring that patients are not put at unnecessary risk of harm. To that end, we support the use of surrogate markers provided that they have biological and medical plausibility. Reliance on a surrogate endpoint must be determined case by case. Under our accelerated approval rule and FDAMA, for serious diseases with no good treatment, FDA can rely on surrogate endpoints considered reasonably well developed to lead to a clinical benefit as a basis for approval, with definitive clinical data to be obtained after the drug is marketed.

Item
Self-Contained Modular Facilities – The Centers for Disease Control [and Prevention] (CDC) has incorporated self-contained modular facilities [SCMF] and modular specimen triage units [STU] in the development and implementation of its 50 State public health laboratories and facilities comprising the Laboratory Response Network [LRN]. The Committee encourages the FDA to consult with CDC to evaluate the benefits of incorporating self-contained modular facilities. (Page 153)

Action taken or to be taken
The purpose of the CDC/LRN self-contained modular facilities and modular specimen triage units is to provide a screening mechanism for chemical, biological, and radiological contamination in unknown samples and facilitate triaging of unknown samples before the samples are brought into a laboratory facility. FDA representatives currently participate in the LRN Partnership Group as well as in LRN working groups addressing laboratory triage issues. Additionally, the FDA currently has two self contained mobile laboratory facilities developed by Edgewood Chemical and Biological Warfare Center that provide screening and analytical capability for chemical and microbiological threat materials in food samples. These mobile

laboratories will be deployed at US ports of entry or other locations where there is a temporary need for heightened analytical capabilities. This, of course, includes being deployed in the event of a terrorist incident to provide screening and triage capabilities. FDA/ Food Emergency Response Network (FERN) will continue to work with CDC/LRN to assess the benefits of incorporating additional self contained modular facilities and/or expanding the screening and triage capability of existing modular facilities for FERN and LRN laboratories.

Item

Animal Drug Compounding – The Committee is aware that in 2003, the FDA issued a Compliance Policy Guideline [CPG] regarding animal drug compounding. The Committee is concerned that the CPG represents a shift in policy, and does not clearly explain how the FDA's enforcement priorities have changed, particularly with respect to compounding from bulk drug substances for non-food producing animals. Further, the Committee is concerned that the FDA did not seek public comment prior to issuing the CPG, although public input is currently being gathered from the animal drug compounding community and other interested parties. Therefore, the Committee strongly encourages the FDA to work closely with all interested parties to ensure that the reasons for issuing the CPG, as well as changes that will result from it, are well understood, and to seriously consider all public comments made regarding this CPG. (Page 154)

Action Taken or To Be Taken

On September 1, 2004, FDA publicly announced its intention to draft and publish for public comment a revised Compliance Policy Guide (CPG) on veterinary pharmaceutical compounding.

FDA is basing its action on the numerous letters from veterinarians, pet owners, compounding pharmacists, and associations the Agency received expressing concern that the CPG lacks sufficient clarity on the circumstances in which veterinary compounding, particularly from bulk drugs, would be permitted. Many of the letters also disagreed with the current policy, stating that it was not within FDA's legal authority, and complained about the lack of prior public comment. FDA has met with many interested groups and has reviewed the comments received in the letters.

When it is available, the draft CPG will be posted on FDA's Center for Veterinary Medicine (CVM) Website and a notice of availability will be published in the Federal Register.

Item

Food Labeling – The FDA Office of Nutritional Products, Labeling and Dietary Supplements [ONPLDS] is responsible for several important public health and consumer protection programs. Responsibilities of ONPLDS include developing policy and regulations for dietary supplements, nutrition labeling and food standards, infant formula and medical foods, and scientific evaluation to support such regulations and related policy development. Further, ONPLDS supports compliance and enforcement actions and is responsible for the clinical review, data summaries, and, as appropriate, follow-up and research related to adverse events associated with dietary supplements and infant formula. The Committee is aware that funding for activities in ONPLDS other than the regulation of dietary supplements has remained level for several years, while the responsibilities relegated to this office have increased. Therefore, the Committee encourages FDA to determine if additional funding is necessary for ONPLDS to more effectively carry out

its important responsibilities, and, if appropriate, increase funding for this office in its fiscal year 2006 budget request. (Page 154)

Action taken or to be taken
FDA's Office of Nutritional Products, Labeling and Dietary Supplements' (ONPLDS) responsibilities continue to grow, including initiatives on infant formula review notifications, better informed consumers, obesity, and allergen labeling. In addition, we have a continuing challenge to protect the safety and security of the food supply from tampering and from counterfeit products. The President's FY 2006 budget request delineates FDA's priorities in this regard. FDA will continue to evaluate if additional funding is necessary for ONPLDS to more effectively carry out its important responsibilities.

Item
Center of Excellence – The Committee is aware of the important work currently being done at FDA's three Centers of Excellence regarding food safety and dietary supplements. The Committee is also aware of interest in creating a new Center of Excellence at the University of California at Davis (UC-Davis) to address the unique nature and contributions of this region of the country, both in terms of its role as the source of a substantial portion of the domestic food supply and as the gateway for foods arriving from our international trading partners. Due to financial constraints, the Committee is unable to provide funding to establish this Center, but encourages the FDA to consider the development of a Center of Excellence at the University of California at Davis, if it is determined to be an important and appropriate use of Federal dollars. (Page 155)

Action taken or to be taken
The FDA recognizes the potential benefits of a Center of Excellence at the University of California. The FDA also recognizes that funds for the establishment of such a center are not available at the current time. The FDA will continue to work with the university to identify means for establishing such a center in the future.

Item
Canned Tuna – The Committee encourages the Food and Drug Administration to initiate rulemaking to revise the standard of identity for canned tuna as requested in `Citizens Petition to Amend Canned Tuna Standard of Identity, 21 CFR 161.190, Docket No. 94P-0286' to replace the current press cake weight requirement with a drained weight requirement and to incorporate any other changes that may be deemed necessary. (Page 155)

Action taken or to be taken
Consistent with Agency priorities and available resources, the Agency will consider whether it should initiate rulemaking to revise the standard of identity for canned tuna as requested in "Citizens Petition to Amend Canned Tuna Standard of Identity, 21 CFR 161.190, Docket No. 94P-0286" to replace the current press cake weight requirement with a drained weight requirement and to incorporate any other changes that may be deemed necessary.

Item

Implanted Medical Devices – The Committee acknowledges current FDA regulations designed to improve post-market surveillance for medical devices, and strongly encourages FDA to devote the necessary resources to require registries and monitor well-designed long-term safety studies for implanted devices, including but not limited to jaw implants. As the aging U.S. population becomes more dependent on implanted devices, the Committee believes it is essential that the FDA allocate adequate resources to patient safety activities related to these devices, such as registries, post-market surveillance, and long-term phase IV trials. (Page 157)

Action taken or to be taken

FDA monitors reports through its nation-wide reporting system of adverse events and product problems associated with marketed medical devices, including implants. Of the approximately 115,000 device reports received during CY 2004, implants figured prominently and were noted among the top 10 in reports received (e.g., intraocular lenses and drug-eluting stents). FDA continues to take significant actions based on these reports. In fact, the agency expects to devote more resources toward postmarket surveillance as a result of increased budget authority and medical device user fees in FY 2005 and FY 2006. In 2003, CDRH noted problems with the St. Jude Aortic Connector which led to its recall. The Center put out a public health notification on the Medtronic Intravascular Graft.

FDA is also looking into utilizing registries as a post market tool to monitor device safety. For example, in CY 2003, in anticipation of the rapid diffusion of a break-through technology, FDA worked with the sponsor of the first-of-a-kind drug-eluting coronary stent to establish a nation-wide, multi-center registry to capture detailed information on 2,000 consecutive patients. Based on early reports of thrombosis and hypersensitivity with these implanted devices, FDA updated a public health notification to inform the clinical community of FDA's ongoing assessment. The data from the registry, and other sources, will provide FDA with a more definitive assessment of any safety concern. Similar registries were established in CY 2004 for other coronary stents as well as the first-of-a-kind carotid stents.

Post approval studies are another mechanism by which the agency gains information about marketed devices; the agency may require such studies as a condition of approval of a premarket approval (PMA) application or under its post market surveillance authority. FDA generally imposes a post-approval study requirement for new implants. The registry for drug-eluting stents is an example. One of the main purposes of such studies is to gather long-term safety and effectiveness data for the device. Recognizing the importance of post-approval studies, CDRH has instituted new efforts to strengthen its oversight of these studies. The Center has allocated funds to developing a new system to track the progress of the studies and new procedures to involve epidemiologists more extensively in designing the protocols and evaluating the results sponsors submit. The goal of these efforts is different for sponsors and CDRH. Sponsors need to produce post-approval studies that use good science and high quality methodology in the study design, and provide timely and accurate study results. CDRH needs to manage the information in a timely and accurate manner; provide timely and accurate notification of sponsors regarding their study status; use appropriate public notification; and determine when enforcement action is necessary.

In CY 2004, FDA continued working with the Consumer Products Safety Commission to utilize its nation-wide sample of emergency departments to obtain further information on, and national estimates of, device-related adverse events, including those related to implants. FDA staff published a pilot study that used data collected from these emergency departments. The study indicated that medical device reporting systems significantly underestimate the magnitude of the annual number of adverse events associated with medical devices, and that a relatively high proportion of adverse events involving implanted devices, compared to other types of devices, had outcomes serious enough to require patient hospitalization. FDA's ongoing collection of these data is focused on increasing their specificity to construe how these adverse events occur and how they can be prevented.

Lastly, FDA has contracted with the Institute of Medicine (IOM) for IOM to conduct a study of the adequacy of the postmarket surveillance of devices, particularly implants, used in the pediatric population. The study was called for under Section 212 of Medical Device User Fee and Modernization Act (MDUFMA). CDRH staff has worked closely with the IOM staff to provide them information and public testimony.

Item

SEC. 729. -- None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate the Food and Drug Administration Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits of St. Louis, Missouri. (Page 73 of S.2803, 108th Congress)

Action taken or to be taken

FDA has no plans to close or relocate or to plan to close or relocate the FDA Division of Pharmaceutical Analysis in St. Louis, Missouri.

HOUSE REPORT (CONFERENCE) 108-792

Item

Communication with Oversight Committees – The conferees find it necessary to remind the Food and Drug Administration that the Committees on Appropriations perform critical oversight functions for the agency. The ultimate expression of this oversight is the funding decisions for the agency and accompanying language in the statement of managers. The conferees expect that Members of Congress will be provided requested information from FDA so that the Committees can perform their oversight function. It is insupportable that in some cases FDA has given information about major policy matters to the press before providing the same information to Congress. The conferees expect FDA to be fully cooperative with all Congressional oversight activities.

Action taken or to be taken

FDA recognizes the need for Congressional members and their staffs to be fully aware of FDA activities as they relate to Congressional oversight responsibilities and the interests of member constituents. Between November 2004 and February 2005, several offices within FDA met to determine the best approach to providing the Appropriation Committees with significant developments at the Agency involving finance, policy, personnel, and regulatory actions.

Additionally, Agency staff met to discuss a number of possible methods of expediting response times to Congressional inquiries. As a consequence of these meetings and subsequent commitments, the Agency now believes that it has set up greater collaboration amongst those responsible for appropriations, legislative affairs, and external communications, and has developed streamlined communications that will lead to greater responsiveness to all Congressional oversight committees and/or their staffs.

Item

Influenza Vaccine – The conferees include a $300,000 increase for the Center for Biologics Evaluation and Research (CBER) and related activities in the Office of Regulatory Affairs for flu vaccine-related activities. The conferees understand that CBER will be undertaking a number of additional activities in fiscal year 2005 to secure additional units of flu vaccine for the 2004-2005 flu season and to ensure and adequate supply of flu vaccine for the 2005-2006 flu season. (Page 708)

Action taken or to be taken

On November 21, 2004, FDA authorized the use of GlaxoSmithKline's (GSK) influenza vaccine, Fluarix, in the United States under an Investigational New Drug (IND) application. On December 7, an agreement was reached by HHS with the company to purchase 1.2 million doses of the vaccine for distribution, if needed, to supplement available licensed vaccine during this year's shortage. To provide for this potential use, FDA reviewed extensive manufacturing and clinical information as well as conducted an inspection of the GSK manufacturing facility in Germany to determine that this vaccine is suitable for use under an IND. FDA reviewed GSK's proposed clinical study plan and informed consent document, as well as the clinical protocol and manufacturing data. These steps, along with the conditions and controls required under the IND are designed to assure the product is safe for use during the current flu season. The FDA is working closely with GSK (e.g., review, consultation, and inspection) throughout FY2005 in an effort to facilitate the licensure of its vaccine product for the 2005-2006 flu season.

FDA has also similarly reviewed extensive manufacturing and clinical information, and conducted several inspections of the manufacturing facilities of additional sponsors of influenza vaccine INDs. These steps are designed both to improve shortage response capabilities and, most important, to expand future manufacturing capacity for influenza vaccine in coming years by encouraging interest in and progress toward US licensure, as well.

FDA (both CBER and ORA) is working closely with the United Kingdom regulatory authority (MHRA) to do all that is possible to facilitate Chiron's remediation of its manufacturing problems at the Liverpool facility. These efforts involve frequent teleconferences, multiple site visits/inspections, and review of manufacturing and facility information. FDA is also interacting closely and proactively with the 2 other currently licensed influenza vaccine manufacturers, Aventis Pasteur and MedImmune on a variety of issues related to their vaccine manufacturing.

Throughout FY2005, FDA will be developing reagents for potency testing and serology necessary for evaluation of influenza vaccines for the 2005-2006 flu season. FDA will continue work to develop high growth reassortants, which will help to ensure timely and adequate supply of vaccine when the influenza strain composition for the 2005-2006 vaccine is determined.

Item

National Center for Food Safety and Technology – The conferees recognize the contributions with the National Center for Food Safety and Technology (NCFST) is making toward ensuring the security of the nation's food supply. The conferees direct that the FDA continue to provide $3,000,000 to NCFST through the cooperative agreement. The $3,000,000 in funding shall be exclusive of any additional initiative funds that FDA may award NCFST. (Page 709)

Action taken or to be taken

The National Center for Food Safety and Technology (NCFST) continues to make contributions toward ensuring the security of the nation's food supply. A five year renewal of the cooperative agreement with NCFST was completed in FY 2004. FDA will continue to provide total funding of $3,000,000 to NCFST.

Item

Human Drug Compounding – The conferees do not include language in the Senate report on human drug compounding. The conferees believe that drugs for human use compounded by pharmacists in response to a practitioner's prescription or order in conformity with state law should be prepared according to established guidelines on quality, purity, and strength, and preparation-specific monographs when they exist. The conferees also recognize, however, that the nature of compounding and the medical need it serves makes it impossible for all compounded medications to be prepared according to pre-existing monographs, and doing so would infringe on the professional obligation of a medical practitioner to prescribe the optimal medications for their patients.

There are existing state laws and official United States Pharmacopoeia (USP) pharmacy standards which necessitate good compounding practices. However, the conferees believe it is desirable to develop additional formal monographs to provide additional guidance and conformity for doctors, patients and pharmacists.

Presently, the USP, a national drug standard setting organization recognized by Congress, has developed a number of monographs for individual compounded preparations. The conferees believe that a private sector partnership of involved organizations with demonstrated expertise regarding pharmacist compounding of preparations for humans should be expeditiously established to help assure a significant expansion of USP monographs and other relevant guidelines.

The conferees believe that the FDA should assist in the establishment of the private sector partnership to commence the expansion of available monographs relevant to pharmacist compounding of drugs for humans. The conferees encourage the FDA to request adequate funding in the fiscal year 2006 budget request to support this effort at increasing the number of formal monographs. (Page 709)

Action taken or to be taken

We do believe that having monograph standards could potentially improve the quality of compounded products with regard to identity, strength, purity and potency. However, unless there was an extensive testing and enforcement program to determine compliance with the monographs and take action in the event of non-compliance, having the monographs would have

virtually no effect on the quality of compounded drugs. Such a testing and enforcement program would require substantial FDA and/or State resources to implement.

The language as originally written would have required FDA to embark on a resource-intensive effort with the USP to develop monographs for compounded products. As there are thousands of compounded drugs on the market, and the number and kinds of drugs change daily, this would be a gargantuan effort. Furthermore, the language would not have ensured that FDA would have the resources to implement an effective testing and enforcement program. In the absence of adequate additional resources, the establishment of a program to develop and enforce monographs would take away resources from other programs, such as surveillance of marketed approved drugs.

Item

Alpha-1 Antritrypsin Deficiency – The conferees commend FDA for the progress made in bringing two additional plasma based therapies to market for the treatment of the progressive degenerative lung disease Alpha-1. Currently the only treatment for Alpha-1 is weekly infusions of plasma based augmentation therapy that is life sustaining and helps these individuals maintain lung function. Further, the Center for Biologics and Evaluation and Research (CBER) is recognized for meeting with consumer stakeholders in efforts to further the development of next generation therapies. The conferees encourage CBER to facilitate the development of novel and innovative therapies for the Alpha-1 community to treat the entire spectrum of individuals with Chronic Obstructive Pulmonary Disease. (Page 709)

Action taken or to be taken

The Center for Biologics Evaluation and Research (CBER) will continue to meet with consumer stakeholders to hear their concerns and to work with manufacturers to facilitate the development of novel and innovative therapies for the Alpha-1 community. With the licensure of three plasma-derived Alpha-1-Proteinase Inhibitor products, there is no shortage of intravenous Alpha-1 PI products at this time. However, assuring the safety and availability of Alpha-1 PI products remains a high priority and CBER will continue to monitor the situation and respond to any reports of shortages. The Center for Drug Evaluation and Review (CDER) will also work with manufacturers to facilitate the development of therapies for the Alpha-1 community to treat the entire spectrum of individuals with Chronic Obstructive Pulmonary Disease.

Item

Biotechnology – The conferees understand that the FDA frequently receives requests from foreign governments for FDA regulators to visit foreign countries to educate regulators on the evaluation of the safety of biotechnology. Providing information on the soundness of the U.S. regulatory process will promote the understanding of the benefits of biotechnology to human health and the environment and improve the climate for acceptance of U.S. agricultural products abroad. The conferees encourage FDA to allocate adequate funding so that agency representatives may perform this service. (Page 710)

Action taken or to be taken

In FY 2004, CFSAN/FDA played a lead role in developing the U.S. position for the Terms of Reference for new work by a second Codex Task Force on Foods Derived from Biotechnology

to be chaired once again by the Government of Japan. CFSAN/FDA in conjunction with Health Canada held a workshop on biotechnology food safety assessment for regulators in Mexico. CFSAN/FDA participated in a similar workshop with Australia for regulators in Jakarta, Indonesia, and neighboring countries. In addition, a CFSAN/FDA scientist served as an Embassy Science Fellow for two months in the Agriculture Office of the U.S. Embassy in Tokyo, Japan working on food biotechnology. CFSAN is also assisting FAO/WHO to prepare information that will assist developing countries in understanding the new Codex guidelines for the safety assessment of biotech foods. In FY 2005, CFSAN/FDA expects to participate in several international workshops and seminars to provide countries with information on FDA's food biotechnology policy and the Codex guidelines. These may include China, India, New Zealand, and the Philippines.

Item

Consolidation and Fees – The conferees direct the Department of Health and Human Services (DHHS) to include all anticipated consolidations that impact FDA in the President's budget requests submitted to Congress. Further, the conferees direct that none of the funds made available to FDA in this Act be used for any assessments, fees, or charges by DHHS unless such assessments, fees, or charges are identified in the FDA budget justification and expressly provided by Congress, or approved by Congress in the official reprogramming process as required in the General Provisions of this Act. (Page 710)

Action taken or to be taken

DHHS/FDA has included a table in this document, the President's budget request or Congressional Justification, entitled "DHHS Charges and Assessments". This table lists assessments, fees, or charges by DHHS and transferred from FDA.

Food and Drug Administration
HIV/AIDS
(Dollars in Thousands)

Program	FY 2004 Current Estimate 1/	FY 2005 Enacted 2/	FY 2006 Estimate
HIV/AIDS			
Human Drugs	*$22,145*	*$22,541*	*$22,541*
Biologics	*$28,150*	*$28,091*	*$28,091*
Medical Devices	*$2,120*	*$2,116*	*$2,116*
Other Acticities	*$4,015*	*$4,007*	*$4,007*
Field Activity	*$17,417*	*$17,728*	*$17,728*
Total HIV/AIDS	**$73,847**	**$74,482**	**$74,482**

1/ Includes 0.59% rescission

2/ Includes 0.8% rescission

FOOD AND DRUG ADMINISTRATION
Table of Estimates and Appropriations
S&E

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation*
1995	935,141,000[1]	914,394,000[2]	917,956,000[3]	897,104,000[4]
1996	965,462,000[5]	904,694,000[6]	904,694,000[6]	904,694,000[6]
1997	969,519,000[7]	907,499,000[8]	907,499,000[8]	907,499,000[8]
1998	995,194,000[9]	945,174,000[10]	935,175,000[10]	948,705,000[10]
1999	1,159,055,000[11]	1,003,722,000[12]	1,072,640,000[13]	1,096,445,000[14]
2000	1,305,869,000[15]	1,218,384,000[16]	1,180,972,000[17]	1,183,095,000[18]
2001	1,359,481,000[19]	1,240,178,000[20]	1,216,796,000[21]	1,215,446,000[22]
2002	1,377,160,000[23]	1,342,339,000[24]	1,344,386,000[25]	1,496,486,000[26]
2003	1,633,605,000[27]	1,599,602,000[28]	1,628,895,000[29]	1,621,739,000[30]
2004	1,678,632,000[31]	1,675,713,000[32]	1,670,692,000[33]	1,665,258,000[34]
2005	1,820,849,000[35]	1,788,849,000[36]	1,791,599,000[37]	1,776,784,000[38]
2006	1,849,676,000[39]			

* Appropriation contains salaries and expenses (S&E), PDUFA , MDUFMA and ADUFA only.

[1] Includes $588,084,000 in S&E, $79,423,000 for PDUFA, other user fees of $228,000,000 $24,000,000 for Device User Fees, $6,500,000 for MQSA fee collections, $9,134,000 for Certification/FOIA, Excludes the transfer from Office of the Secretary, Office of General Counsel to FDA of $2,745,000 and 34 FTE.

[2] Includes an additional $248,438,000 over the S&E request. Includes $834,971,000 in S&E, and $79,423,000 in PDUFA.

[3] Includes $687,733,000 in S&E, $79,423,000 in PDUFA, and $150,800,000 in proposed new user fees. Excludes $6,500,000 in MQSA.

[4] Includes budget authority rescission of $2,990,000, $817,681,000 in S&E, and $79,423,000 for PDUFA. Excludes MQSA fee collections of $6,500,000.

[5] Includes $823,795,000 in S&E, $84,723,000 for PDUFA, $13,000,000 for MQSA fee collections, $23,740,00 for MDUFA, $15,000,000 for Import user fees, and $5,204,000 for the Certification Fund/FOIA.

[6] Includes $819,971,000 in S&E, and $84,723,000 in PDUFA. Excludes $13,000,000 in MQSA.

[7] Includes $823,771,000 in S&E, $87,528,000 for PDUFA, $13,403,000 for MQSA fee collections, $24,476,000 for MDUFA, $15,000,000 for Import fees, and $5,341,000 for Certification/FOIA.

[8] Includes $819,971,000 in S&E, and $87,528,000 for PDUFA. Excludes $13,403,000 for MQSA fee collections.

[9] Includes $750,922,000 in S&E, $91,204,000 for PDUFA, $131,643,000 for new user fees, $13,966,000 for MQSA fee collections, $2,000,000 for Export Certification, and $5,459,000 for Certification/FOIA. It does not reflect proposed PDUFA Supplemental request of $25,618,000 requested with the FY 1999 President=s Budget.

[10] Includes $857,971,000 in S&E, and $91,204,000 for PDUFA. Excludes $13,966,000 for MQSA fee collections.

[11] Includes $878,885,000 in S&E, $132,274,000 for PDUFA, $14,385,000 for MQSA fee collections, $1,000,000 for Export Certification, $127,717,000 for new user fees, $1,030,000 for FOIA, and $3,764,000 for Certification. This does not include GSA budget authority rental payments of $82,866,000.

[12] Includes $871,449,000 in S&E, and $132,273,000 for PDUFA ($5,428,000 for GSA rent). Excludes $14,385,000 for MQSA fee collections, and GSA budget authority rental payments of $82,866,000.

[13] Includes $940,367,000 in S&E (which includes $82,866,000 in budget authority GSA rent), and $132,273,000 for PDUFA ($5,428,000 for GSA rent) Excludes $14,385,000 for MQSA fee collections.

[14] Includes rescission of $1,695,000, S&E of $964,172,000, (which includes $82,866,000 for GSA Rent), and $132,273,000 for PDUFA ($5,428,000 for GSA rent). Excludes $14,385,000 for MQSA fee collections.

[15] Includes $1,109,950,000 (including $94,537,000 of GSA Rent) S&E, $145,434,000 for PDUFA ($5,643,000 is GSA Rent), $14,817,000 for MQSA fee collections, $1,030,000 for Export Certification, $3,877,000 for Certification fund, $1,061,000 for FOIA, $12,700,000 for Seafood Transfer User Fees, and $17,000,000 for proposed new user fees.

[16] Includes $1,072,950,000 (including $94,537,000 of GSA Rent) in S&E, $145,434,000 for PDUFA ($5,643,000 is for GSA Rent). This does not include $14,817,000 for MQSA fee collections.

[17] Includes $1,035,538,000 (including $94,537,000 of GSA Rent) in S&E, and $145,434,000 for PDUFA ($5,643,000 is for GSA Rent). Excludes $14,817,000 for MQSA fee collections.

[18] Includes rescission of $2,977,000, S&E of $1,037,661,000 (including $94,311,000 of GSA Rent), and $145,434,000 for PDUFA ($5,643,000 is GSA Rent). Excludes $14,817,000 for MQSA fee collections, $1,030,000 for Export Certification, $3,877,000 for Certification fund, $1,061,000 for FOIA, $12,700,000 for Seafood Transfer User Fees, $17,000,000 for new user fees, or $13,400,000 for Bioterrorism.

[19] Includes $1,156,905,000 (including $99,094,000 of GSA Rent) in S&E, $149,273,000 for PDUFA ($5,860,000 is GSA rent), $15,128,000 for MQSA fee collections, $12,700,000 for Seafood Transfer User Fees, $1,500,000 for Export Certification, $4,492,000 for Certification fund, and $19,483,000 for proposed new user fees (Food Additive $8,400,000; Premarket Medical Devices $5,833,000; Foods Export Certification $5,250,000).

[20] Includes $1,090,905,000 (including $99,094,000 of GSA Rent) in S&E, $149,273,000 for PDUFA ($5,860,000 is GSA rent). This does not include $15,128,000 for MQSA fee collections.

[21] Includes $1,067,523,000 (including $99,094,000 of GSA Rent) in S&E, and $149,273,000 for PDUFA ($5,860,000 is GSA rent). Excludes $15,128,000 for MQSA fee collections, and $5,992,000 in Export Certification.

[22] Includes rescission of $2,351,000, S&E of $1,066,173,000 (including $98,876,000 of GSA Rent), and $149,273,000 for PDUFA (of which 5,860,000 is GSA rent). Excludes $14,947,000 for MQSA fee collections, $1,500,000 for Export Certification, or $22,950,000 million for drug importation that is not available until requested by the President. Also does not include $1,750,000 funded from PHSSEF for physical security counter-terrorism measures.

[23] Includes $1,173,673,000 (including $98,876,000 of GSA Rent) in S&E, $161,716,000 for PDUFA ($6,240,000 is GSA rent), $15,590,000 for MQSA fee collections, $1,500,000 for Export Certification, $4,681,000 for Certification fund, and $20,000,000 for proposed new user fees. Excludes $2,950,000 million for drug importation that is not available until requested by the President.

[24] Includes $1,180,623,000 (including $98,876,000 of GSA Rent) in S&E, and $161,716,000 for PDUFA ($6,240,000 is GSA rent). This does not include $15,590,000 for MQSA fee collections. This does not include the $2,950,000 the House provided for MEDSA.

[25] Includes $1,182,670,000 (including $98,876,000 of GSA Rent) in S&E, and $161,716,000 for PDUFA ($6,240,000 is GSA rent) Excludes $15,590,000 for MQSA fee collections, and $6,181,000 in Export Certification and Color Certification.

[26] Includes $1,183,670,000 (including $98,876,000 of GSA Rent) in S&E, $161,716,000 for PDUFA ($6,240,000 is GSA rent). Excludes $15,590,000 for MQSA fee collections, or $6,181,000 in Export Certification and Color Certification. Includes an additional $151,100,000 provided in the FY 2002 counter-terrorism supplemental.

[27] Includes $1,369,385,000 (including $98,556,000 of GSA Rent) in S&E, $264,220 in proposed PDUFA fees ($7,140,000 is GSA rent). Excludes $16,112,000 in MQSA fee collections, $1,500,000 in Export Certification, and $4,878,000 in Color Certification.

[28] Includes $1,376,702,000 (including $98,876,000 of GSA Rent) in S&E, and $222,900,000 for PDUFA ($7,802,000 is GSA rent). Excludes $16,112,000for MQSA fee collections, and $6,378,000 in Export Certification and Color Certification.

[29] Includes $1,383,505,000 (including $98,556,000 of GSA Rent) in S&E, and $222,900,000 for PDUFA ($7,802,000 is GSA rent) and $22,490,000 for MDUFMA. Excludes $16,112,000 for MQSA fee collections, and $6,378,000 in Export Certification and Color Certification.

[30]Includes $1,373,714,000 (including $98,233,000 of GSA Rent) in S&E, and $222,900,000 for PDUFA ($7,802,000 is GSA rent), and $25,125 in MDUFMA fees ($1,591,000 is GSA rent). Excludes $16,112,000 in MQSA fee collections, $1,500,000 in Export Certification, and $5,237,000 in Color Certification.

[31] Includes $1,394,617,000 (including $108,876,000 of GSA Rent) in S&E, $249,825,000 in proposed PDUFA fees ($8,646,000 is GSA rent) and $29,190,000 in MDUFMA fees ($2,273,000 is GSA rent) and $5,000,000 in proposed Animal Drug User Fees ($250,000 is GSA Rent). Excludes $16,576,000 in MQSA fee collections, $1,570,000 in Export Certification, and $5,079,000 in Color Certification.

[32] Includes $1,389,234,000 (including $108,876,000 of GSA Rent) in S&E, and $249,825,000 for PDUFA ($8,646,000 is GSA rent), $31,654,000 in MDUFMA fees ($2,465,000 is GSA rent), and $5,000,000 in proposed Animal Drug User Fees (ADUFA) ($250,000 is GSA Rent). Excludes $16,575,000 in MQSA fee collections, $1,570,000 in Export Certification, and $5,079,000 in Color Certification.

[33] Includes $1,384,213,000 (including $108,233,000 of GSA Rent) in S&E, and $249,825,000 for PDUFA ($8,646,000 is GSA rent), $31,654,000 in MDUFMA fees ($2,465,000 is GSA rent), and $5,000,000 in proposed Animal Drug User Fees (ADUFA)($250,000 is GSA Rent). Excludes $16,575,000 in MQSA fee collections, $1,570,000 in Export Certification, and $5,079,000 in Color Certification.

[34] Includes $1,378,779,000 (including $107,594,000 of GSA Rent) in S&E, and $249,825,000 for PDUFA ($8,646,000 is GSA rent), $31,654,000 in MDUFMA fees ($2,465,000 is GSA rent), and $5,000,000 in proposed Animal Drug User Fees (ADUFA)($250,000 is GSA Rent). Excludes $16,575,000 in MQSA fee collections, $1,570,000 in Export Certification, and $5,079,000 in Color Certification. A$8,224,000 rescission is included.

[35] Includes $1,494,517,000 (including $107,594,000 of GSA Rent) in S&E, and $284,394,000 for PDUFA ($12,407,000 is GSA rent), $33,938,000 in MDUFMA fees ($2,643,000 is GSA rent), and $8,000,000 in proposed Animal Drug User Fees (ADUFA) ($371,000 is GSA Rent). Excludes $16,919,000 in MQSA fee collections, $1,615,000 in Export Certification, and $5,223,000 in Color Certification.

[36] Includes $1,462,517,000 (including $114,394,000 of GSA Rent) in S&E, and $284,394,000 for PDUFA ($12,407,000 is GSA rent), $33,938,000 in MDUFMA fees ($2,643,000 is GSA rent), and $8,000,000 in proposed Animal Drug User Fees (ADUFA) ($371,000 is GSA Rent). Excludes $16,919,000 in MQSA fee collections, $1,615,000 in Export Certification, and $5,223,000 in Color Certification.

[37] Includes $1,465,267,000 (including $114,394,000 of GSA Rent) in S&E, and $284,394,000 for PDUFA ($12,407,000 is GSA rent), $33,938,000 in MDUFMA fees ($2,643,000 is GSA rent), and $8,000,000 in proposed Animal Drug User Fees (ADUFA) ($371,000 is GSA Rent). Excludes $16,919,000 in MQSA fee collections, $1,615,000 in Export Certification, and $5,223,000 in Color Certification.

[38] Includes $1,450,098,000 (including $114,394,000 of GSA Rent) in S&E, and $284,394,000 for PDUFA ($12,407,000 is GSA rent), $33,938,000 in MDUFMA fees ($2,643,000 is GSA rent), and $8,354,000 in proposed Animal Drug User Fees (ADUFA) ($371,000 is GSA Rent). Excludes $16,919,000 in MQSA fee collections, $1,615,000 in Export Certification, and $5,223,000 in Color Certification.

[39] Includes $1,492,726,000 (including $117,579,000 of GSA Rent) in S&E, and $305,332,000 for PDUFA ($12,700,000 is GSA rent), $40,300,000 in MDUFMA fees ($3,203,000 is GSA rent), and $11,318,000 in proposed Animal Drug User Fees (ADUFA) ($1,371,000 is GSA Rent). Excludes $17,173,000 in MQSA fee collections, $1,639,000 in Export Certification, and $6,001,000 in Color Certification.

FOOD AND DRUG ADMINISTRATION
Table of Estimates and Appropriations
Rental Payments to GSA

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1995	48,575,000	46,294,000[1]	46,294,000	46,294,000[2]
1996	46,294,000	46,294,000	46,294,000	46,294,000[3]
1997	46,294,000	46,294,000	46,294,000	46,294,000[4]
1998	46,294,000[5]	46,294,000	46,294,000	46,294,000
1999	82,866,000[6]	82,866,000[7]		

[1] Reflects a GSA rent reduction of $2,281,000 to the rent cap.

[2] Includes an authorized reduction of $3,970,000 to cover Building Delegation expenses.

[3] Includes an authorized reduction of $3,957,000 to cover Building Delegation expenses.

[4] Includes an authorized reduction of estimated to be $4,705,000 to cover Building Delegation expenses.

[5] Includes an authorized reduction of estimated to be $4,832,000 to cover Building Delegation expenses.

[6] Increase in GSA Rent estimate reflects the real cost of rental payments. In previous years, Congress had imposed a ceiling on rental payments. Includes an authorized reduction of GSA rent payments estimated to be $4,917,0000 to cover Building Delegation expenses and $5,428,000 of PDUFA collections, which are included in S&E PDUFA.

[7] Does not include GSA Rent in the S&E Appropriation. Includes an authorized reduction of GSA rent payments estimated to be $4,917,000 to cover Building Delegation expenses. Excludes $5,428,000 of PDUFA collections, which are included in S&E PDUFA. Beginning in FY 1999, the Senate Appropriation Committee and the final Appropriation included GSA Rent in the S&E Appropriation. For subsequent years, GSA Rent is included in S&E.

FOOD AND DRUG ADMINISTRATION
Table of Estimates and Appropriations
Buildings and Facilities

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1995	8,350,000[1]	18,150,000	8,350,000	18,150,000[2]
1996	8,350,000	15,350,000	8,350,000	12,150,000[3]
1997	8,350,000	21,350,000	21,350,000	21,350,000[4]
1998	22,900,000[5]	21,350,000	22,900,000	21,350,000[5]
1999	8,350,000	11,350,000	12,350,000	11,350,000[6]
2000	31,750,000[7]	31,750,000	8,350,000	11,350,000
2001	31,350,000[8]	11,350,000	31,350,000	31,350,000
2002	34,281,000[9]	34,281,000	34,281,000	34,281,000
2003	8,000,000[10]	8,000,000	11,000,000[11]	7,948,000[12]
2004	11,500,000[13]	6,000,000	7,948,000	6,959,000 [14]
2005	-6,959,000 [15]	-6,959,000	-6,959,000	-6,959,000
2006	7,000,000			

[1] 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.

[2] Includes $9,800,000 to purchase land and begin engineering and design work for replacement of FDA's Los Angeles District office and laboratory,

[3] Includes $3,800,000 for continuing work on an Arkansas Regional Laboratory at Jefferson, AR (ARL).

[4] Includes $13,000,000 for continuing modernization of the ARL.

[5] Includes $14,550,000 for continuing modernization of the ARL

[6] Includes $3,000,000 for continuing modernization of the ARL

[7] Includes $20,400,000 for construction of Phase I of the new Los Angeles Laboratory and $3,000,000 for continuing modernization of the ARL

[8] Includes $20,000,000 for construction of Phase I of the new Los Angeles Laboratory and $3,000,000 for continuing modernization of the ARL

[9] Includes $23,000,000 for construction of Phase II of the new Los Angeles Laboratory and $3,000,000 for continuing modernization of the ARL

[10] Reflects a reduction of $26,281,000 to centralize of B&F construction activities at the Department.

[11] Includes $3,000,000 to complete ARL

[12]Includes $8,000,000 in Appropriated funds with a rescission of $52,000.

[13] Includes $3,500,000 to complete ARL.

[14] Includes Final Conference amount of $7,000,000 with a $41,000 rescission.

[15] Includes a $6,959,000 decrease to fund high priority programs.

Food and Drug Administration
Detail of Full-Time Equivalent (FTE) Employment
Program Level

Project	FY 2004 Actual	FY 2005 Enacted	FY 2006 Estimate
Center for Food Safety and Applied Nutrition	910	894	881
Center for Drug Evaluation and Research	2,190	2,395	2,412
Center for Biologics Evaluation and Research	797	815	801
Center for Veterinary Medicine	349	373	385
Center for Devices and Radiological Health	1,061	1,187	1,170
National Center for Toxological Research	207	225	220
Office of Regulatory Affairs	3,872	3,648	3,494
Other Activities			
Office of the Commissioner	410	392	388
Office of Management	299	377	375
Other User Fees	46	51	51
TOTAL	**10,141**	**10,357**	**10,177**

Note: FY 2004 Actuals excludes 69 reimbursable FTE and 65 reimbursable FTE in FY 2005 and 2006.

Five Year History of GS/GM Average Grade

Year	Grade
FY 2002	11.6
FY 2003	11.7
FY 2004	11.9
FY 2005	11.9
FY 2006	11.9

FOOD AND DRUG ADMINISTRATION
DETAIL OF FTE BY GRADE

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
Executive Level I.....	-	-	-
Executive Level II.....	-	-	-
Executive Level III.....	-	-	-
Executive Level IV.....	-	1	1
Executive Level V.....	-	-	-
Total, Exec. Level	-	1	1
ES.....	44	50	50
Total, ES 1/	44	50	50
GS-15.....	720	738	777
GS-14.....	1,462	1,498	1,577
GS-13.....	2,677	2,743	2,887
GS-12.....	1,534	1,572	1,654
GS-11.....	676	693	730
GS-10.....	57	58	61
GS-9.....	558	572	602
GS-8.....	205	210	221
GS-7.....	479	491	517
GS-6.....	105	108	114
GS-5.....	86	88	93
GS-4.....	87	89	94
GS-3.....	57	58	61
GS-2.....	35	36	38
GS-1.....	7	7	7
Subtotal, GS	**8,745**	**8,961**	**9,433**
AL.....	1	1	1
ST/SL.....	1	1	1
RS.....	39	39	39
CC - 08/07/06.....	200	201	201
CC - Other.....	521	525	525
Subtotal, CC	**721**	**726**	**726**
AD (includes Title 42).....	585	593	610
Wage Grade.....	62	62	62
Consultants.....	12	12	12
Total FTE (End of Year) 2/	**10,210**	**10,446**	**10,935**
Average ES level.....	-	-	-
Average ES Salary.....	145,600	152,900	160,500
Average GS grade.....	11.9	11.9	11.9
Average GS salary.....	59,600	61,700	63,100

1/ The National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136, November 24, 2003) amended 5 U.S.C. 5382 to replace the existing six-level pay system for the SES with a single, open-range "payband" that has only its minimum and maximum rates fixed by statute.
2/ FY 2004 FTE total reflects actual 113G year end total.

Five Year History of GS/GM average grade

Year	Grade
FY 1999	11.7
FY 2000	11.7
FY 2001	11.8
FY 2002	11.6

FOOD AND DRUG ADMINISTRATION
New Positions Requested for Appropriated and User Fee Funding

Program	Budget Authority		User Fee		
Job Category and Grade Series	**Center**	**Field**	**Center**	**Field**	**TOTAL**
FOODS					
Chemist/Biochemist/Microbiologist/ Immunologist GS-7/9/11/12/13/14	7				7
Foods Subtotal	**7**				**7**
HUMAN DRUGS					
Consumer Safety Officer GS-0696-12			1		1
Data Base Analyst GS-2210-13/14	1				1
Lead Medical Officer GS-0602-15			2		2
Math Statistician GS-1530-12/13/14	1		6		7
Medical Officer GS-0602-13/14	1		22		23
Microbiologist, GS-0403-13			2		2
Pharmacist GS-0660-13/14			1		1
Pharmacist/Safety Evaluator GS-0660-13/14	5		5		10
Pharmacologist GS-0405-13			5		5
Project Management-GS-0696/0601-13	4		1		5
Regulatory Health Coordinator GS-0601-13/14	4		2		6
Regulatory Health Project Manager, GS-0601-12/13	2		4		6
Social Scientist Health Coordinator GS-0601-12/13/14	1		1		2
Writer Editor GS-1083-13	1				1
Human Drugs Subtotal	**20**		**52**		**72**
BIOLOGICS					
Microbiologist GS-5/7/9/11/12			2		2
Medical Officer GS-14/15			1		1

Program	Budget Authority		User Fee		
Job Category and Grade Series	**Center**	**Field**	**Center**	**Field**	**TOTAL**
Biologics Subtotal			**3**		**3**
ANIMAL DRUGS					
Veterinary Medical Officer GS-13			3		3
Microbiologist GS-12/13			5		5
Chemist GS-12/13			5		5
Biologist GS-9/11/12/13			5		5
Animal Drugs Subtotal			**18**		**18**
DEVICES AND RADIOLOGICAL HEALTH					
Interdisciplinary Scientists GS-7/9/11/12/13/14			2		2
Biologist/Radiation Biologist GS-13	1				1
Biomedical Engineer GS-7/9/11/12/13			2		2
Chem./Mech./Materials Engineer GS-7/9/11	1				1
Microbiologist GS-13	1				1
Radiologist/Medical Officer GS-12/13/14			2		2
Devices and Radiological Health Subtotal	**3**		**6**		**9**
NATIONAL CENTER FOR TOXICOLOGICAL RESEARCH					
Microbiologist GS-13	1				1
National Center for Toxicological Research Subtotal	**1**				**1**
OTHER ACTIVITIES					
Information Specialist GS 13/14			3		3
Contract Specialist GS 13			2		2
Management Analyst GS 13/14			2		2
Accountant GS 14			1		1
Consumer Safety Officer GS 114	2				2

Program	Budget Authority		User Fee		
Job Category and Grade Series	**Center**	**Field**	**Center**	**Field**	**TOTAL**
Other Activities Subtotal	2		8		10
Grand Total	**33**		**87**		**120**

FDA
Geographic Distribution of Facilities

BUILDING NAME	ORGANIZATION	CITY	ST	FDA REGION	OWNERSHIP
RESIDENT POST- ANCHORAGE, AK	ORA	ANCHORAGE	AK	PACIFIC (OAKLAND)	GSA OWNED
DAUPHIN ISLAND	CFSAN	DAUPHIN ISLAND	AL	HEADQUARTERS FIELD	FDA OWNED
RESIDENT POST- BIRMINGHAM, AL	ORA	BIRMINGHAM	AL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- MOBILE, AL	ORA	MOBILE	AL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- MONTGOMERY, AL	ORA	MONTGOMERY	AL	SOUTHEAST (ATLANTA)	GSA LEASED
JEFFERSON LABORATORY COMPLEX	NCTR	JEFFERSON	AR	HEADQUARTERS FIELD	FDA OWNED
REGIONAL LABORATORY- ARKANSAS	ORA	JEFFERSON	AR	SOUTHWEST (DALLAS)	FDA OWNED
RESIDENT POST- LITTLE ROCK, AK	ORA	LITTLE ROCK	AR	SOUTHWEST (DALLAS)	GSA OWNED
OCI PHOENIX RESIDENT OFFICE	OCI	PHOENIX	AZ	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- DOUGLAS, AZ	ORA	DOUGLAS	AZ	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- NOGALES, AZ	ORA	NOGALES	AZ	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- PHOENIX, AZ	ORA	TEMPE	AZ	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- SAN LUIS, AZ	ORA	SAN LUIS	AZ	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- TUCSON, AZ	ORA	TUCSON	AZ	SOUTHWEST (DALLAS)	GSA OWNED
DISTRICT OFFICE W/LAB- SAN FRANCISCO	ORA	ALAMEDA	CA	PACIFIC (OAKLAND)	GSA LEASED
DIVISION OF PERSONEL- SAN FRANCISCO	ORA	SAN FRANCISCO	CA	PACIFIC (OAKLAND)	GSA OWNED
OCI LOS ANGELES FIELD OFFICE	OCI	SAN CLEMENTE	CA	HEADQUARTERS FIELD	FDA LEASED
OCI SAN FRANCISCO RESIDENT OFFICE/ORA REGIONAL	OCI/ORA	OAKLAND	CA	HEADQUARTERS FIELD/ PACIFIC (OAKLAND)	GSA OWNED
REGIONAL LABORATORY- PACIFIC SOUTHWEST/ DISTRICT OFFICE - LOS ANGELES	ORA	IRVINE	CA	PACIFIC (OAKLAND)	FDA OWNED
RESIDENT POST- CALEXICO, CA	ORA	CALEXICO	CA	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- CANOGA PARK, CA	ORA	CANOGA PARK	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- CARSON, CA	ORA	CARSON	CA	PACIFIC (OAKLAND)	USPS BLDG
RESIDENT POST- CARSON, CA	ORA	CARSON	CA	PACIFIC (OAKLAND)	USPS BLDG
RESIDENT POST- FRESNO, CA	ORA	FRESNO	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- LAX	ORA	LOS ANGELES	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- LONG BEACH, CA	ORA	LONG BEACH	CA	PACIFIC (OAKLAND)	USPS BLDG
RESIDENT POST- ONTARIO, CA	ORA	ONTARIO	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- OTAY MESA, CA	ORA	SAN DIEGO	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- OTAY MESA, CA	ORA	SAN DIEGO	CA	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- SACRAMENTO, CA	ORA	SACRAMENTO	CA	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- SAN DIEGO, CA	ORA	SAN DIEGO	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SAN JOSE, CA	ORA	SAN JOSE	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SAN PEDRO, CA	ORA	SAN PEDRO	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SANTA BARBARA, CA	ORA	SANTA BARBARA	CA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- STOCKTON, CA	ORA	STOCKTON	CA	PACIFIC (OAKLAND)	GSA OWNED
DISTRICT OFFICE W/LAB- DENVER	ORA	LAKEWOOD	CO	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- BRIDGEPORT, CT	ORA	BRIDGEPORT	CT	NORTHEAST (NEW YORK)	GSA OWNED
RESIDENT POST- HARTFORD, CT	ORA	HARTFORD	CT	NORTHEAST (NEW YORK)	GSA OWNED
MARY E SWITZER BUILDING SW	OC	WASHINGTON	DC	HEADQUARTERS	GSA OWNED
RESIDENT POST- WILMINGTON, DE	ORA	WILMINGTON	DE	CENTRAL (PHILADELPHIA)	GSA LEASED
DISTRICT OFFICE- FLORIDA	ORA	MAITLAND	FL	SOUTHEAST (ATLANTA)	GSA LEASED
OCI MIAMI FIELD OFFICE	OCI	PLANTATION	FL	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- BOCA RATON, FL	ORA	BOCA RATON	FL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- FORT MYERS, FL	ORA	FORT MYERS	FL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- JACKSONVILLE, FL	ORA	JACKSONVILLE	FL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- MIAMI, FL- DOMESTIC	ORA	MIAMI	FL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- MIAMI, FL- IMPORT	ORA	MIAMI	FL	SOUTHEAST (ATLANTA)	GSA LEASED

FDA
Geographic Distribution of Facilities

BUILDING NAME	ORGANIZATION	CITY	ST	FDA REGION	OWNERSHIP
RESIDENT POST- TALLAHASSEE, FL	ORA	TALLAHASSEE	FL	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- TAMPA, FL	ORA	TAMPA	FL	SOUTHEAST (ATLANTA)	GSA LEASED
DISTRICT/REGION/REGIONAL LAB- ATLANTA	ORA	ATLANTA	GA	SOUTHEAST (ATLANTA)	GSA LEASED
OCI ATLANTA RESIDENT OFFICE	OCI	ATLANTA	GA	HEADQUARTERS FIELD	GSA OWNED
RESIDENT POST- SAVANNAH, GA	ORA	SAVANNAH	GA	SOUTHEAST (ATLANTA)	GSA OWNED
RESIDENT POST- TIFTON, FL	ORA	TIFTON	GA	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- HONOLULU, HI	ORA	HONOLULU	HI	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- DAVENPORT, IA	ORA	DAVENPORT	IA	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- DES MOINES, IA	ORA	DES MOINES	IA	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- SIOUX CITY, IA	ORA	SIOUX CITY	IA	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- BOISE, ID	ORA	BOISE	ID	PACIFIC (OAKLAND)	GSA LEASED FDA OWNED MODULAR UNIT/GSA
RESIDENT POST- EASTPORT, ID	ORA	EASTPORT	ID	PACIFIC (OAKLAND)	OWNED
DISTRICT OFFICE- CHICAGO	ORA	CHICAGO	IL	CENTRAL (CHICAGO)	GSA LEASED
MOFFETT CENTER	CFSAN	BEDFORD	IL	HEADQUARTERS FIELD	GSA LEASED
OCI CHICAGO FIELD OFFICE	OCI	LISLE	IL	HEADQUARTERS FIELD	GSA LEASED
REGIONAL FIELD OFFICE- CENTRAL (CHICAGO)	ORA	CHICAGO	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- BENSENVILLE, IL	ORA	BENSENVILLE	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- GURNEE, IL	ORA	GURNEE	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- HINSDALE, IL	ORA	HINSDALE	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- MOUNT VERNON, IL	ORA	MT VERNON	IL	CENTRAL (CHICAGO)	GSA OWNED
RESIDENT POST- PEROIA, IL	ORA	PEORIA	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- SPRINGFIELD, IL	ORA	SPRINGFIELD	IL	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- EVANSVILLE, IN	ORA	EVANSVILLE	IN	CENTRAL (CHICAGO)	GSA OWNED
RESIDENT POST- INDIANAPOLIS, IN	ORA	INDIANAPOLIS	IN	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- SOUTH BEND, IN	ORA	SOUTH BEND	IN	CENTRAL (CHICAGO)	GSA LEASED
DISTRICT OFFICE- ANNEX (LAB)	ORA	LENEXA	KS	SOUTHWEST (DALLAS)	GSA LEASED
DISTRICT OFFICE- KANSAS CITY	ORA	LENEXA	KS	SOUTHWEST (DALLAS)	GSA LEASED
OCI KANSAS CITY FIELD OFFICE	OCI	MISSION	KS	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- WICHITA, KS	ORA	WICHITA	KS	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- LOUISVILLE, KY	ORA	LOUISVILLE	KY	CENTRAL (PHILADELPHIA)	GSA LEASED
DISTRICT OFFICE- NEW ORLEANS	ORA	NEW ORLEANS	LA	SOUTHEAST (ATLANTA)	GSA LEASED
OCI NEW ORLEANS RESIDENT OFFICE	OCI	COVINGTON	LA	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- BATON ROUGE, LA	ORA	BATON ROUGE	LA	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- LAFAYETTE, LA	ORA	LAFAYETTE	LA	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- SHREVEPORT, LA	ORA	SHREVEPORT	LA	SOUTHEAST (ATLANTA)	GSA LEASED
BORDER STATION - BOSTON, MA	ORA	BOSTON	MA	NORTHEAST (NEW YORK)	GSA LEASED
DISTRICT OFFICE- NEW ENGLAND	ORA	STONEHAM	MA	NORTHEAST (NEW YORK)	GSA LEASED
OCI BOSTON RESIDENT OFFICE	OCI	PEABODY	MA	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- WORCHESTER, MA	ORA	WORCESTER	MA	NORTHEAST (NEW YORK)	GSA LEASED
WINCHESTER ENGINEERING & ANALYTICAL CENTER	ORA	WINCHESTER	MA	NORTHEAST (NEW YORK)	FDA OWNED
12345 PARKLAWN DRIVE	OC	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
AMMENDALE BUILDING	CDER/CFSAN	BELTSVILLE	MD	HEADQUARTERS	GSA LEASED
BELTSVILLE RESEARCH FACILITY	CFSAN	LAUREL	MD	HEADQUARTERS	FDA OWNED
CORPORATE BUILDING	CDRH	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
CORPORATE BUILDING 2	CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
CRABB BUILDING	ORA/OC	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
CRABB CVM BUILDING	CVM	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
DISTRICT OFFICE- BALTIMORE	ORA	BALTIMORE	MD	CENTRAL (PHILADELPHIA)	GSA LEASED
FDA LABORATORY BUILDING 1(MOD1)	CFSAN	LAUREL	MD	HEADQUARTERS	FDA OWNED
FDA LABORATORY BUILDING 2(MOD2)	CVM	LAUREL	MD	HEADQUARTERS	GSA OWNED
FDA WAREHOUSE/MAIL SCREENING FACILITY	OC/CBER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
FISHERS LANE 5630	CDER/OC	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
HARVEY W WILEY BUILDING	CFSAN	COLLEGE PARK	MD	HEADQUARTERS	GSA OWNED
METRO PARK NORTH 1	CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
METRO PARK NORTH 2	M	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
METRO PARK NORTH 4	CVM	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
METRO PARK NORTH 5	CVM	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
METRO PARK NORTH 6	CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
MONTROSE METRO 2	ORA/CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED FDA LEASED
NICHOLSON LANE RESEARCH CENTER	CBER	KENSINGTON	MD	HEADQUARTERS	GSA LEASED

FDA
Geographic Distribution of Facilities

BUILDING NAME	ORGANIZATION	CITY	ST	FDA REGION	OWNERSHIP
NIH BLDG 14D	CBER	BETHESDA	MD	HEADQUARTERS	HHS OWNED
NIH BLDG 29	CBER	BETHESDA	MD	HEADQUARTERS	HHS OWNED
NIH BLDG 29A	CBER/CDER	BETHESDA	MD	HEADQUARTERS	HHS OWNED
NIH BLDG 29B	CBER/CDER	BETHESDA	MD	HEADQUARTERS	HHS OWNED
OAKGROVE BUILDING 2094	CDRH	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
OAKGROVE BUILDING 2098	CDRH	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
OCI METRO WASHINGTON FIELD OFFICE	OCI	CALVERTON	MD	HEADQUARTERS	GSA LEASED
OCI OFFICE OF INTERNAL AFFAIRS	OCI	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
OCI TASK FORCE (SPECIAL PROSECUTION STAFF)	OCI	BELTSVILLE	MD	HEADQUARTERS	GSA LEASED
PARK BUILDING (CDER computer center)	CDER/OC	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
PARKLAWN BUILDING	OC/ORA/CDER/ CFSAN/NCTR	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
PICCARD BUILDING 1350	CDRH	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
RESIDENT POST- DUNDALK, MD - IMPORT	ORA	BALTIMORE	MD	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- SALISBURY, MD	ORA	SALISBURY	MD	CENTRAL (PHILADELPHIA)	GSA OWNED
ROCKWALL 2 BUILDING	CBER/CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
ROCKWALL BUILDING	CBER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
TECHNOLOGY CENTER	CDRH/OC	GAITHERSBURG	MD	HEADQUARTERS	GSA LEASED
TWINBROOK BUILDING 12725	CDRH	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
TWINBROOK BUILDINGS (1-5)	CDRH/CDER/ORA	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
UNIVERSITY STATION	CFSAN	COLLEGE PARK	MD	HEADQUARTERS	GSA LEASED
WHITE OAK ANIMAL FACILITY BUILDING 10	CDER/CDRH	SILVER SPRING	MD	HEADQUARTERS	GSA OWNED
WHITE OAK CDER OFFICE BUILDING 21	CDER	SILVER SPRING	MD	HEADQUARTERS	GSA OWNED
WHITE OAK CDER OFFICE BUILDING 22	CDER	SILVER SPRING	MD	HEADQUARTERS	GSA OWNED
WHITE OAK LIFE SCIENCES BUILDING 64	CDER/CDRH	SILVER SPRING	MD	HEADQUARTERS	GSA OWNED
WILKENS DOC BUILDING	CDER/OC	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
WOODMONT OFFICE COMPLEX 1	CBER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
WOODMONT OFFICE COMPLEX 2	CDER	ROCKVILLE	MD	HEADQUARTERS	GSA LEASED
BORDER STATION - CALAIS, ME	ORA	CALAIS	ME	NORTHEAST (NEW YORK)	GSA OWNED
BORDER STATION - HOULTON, ME	ORA	HOULTON	ME	NORTHEAST (NEW YORK)	GSA OWNED
RESIDENT POST- AUGUSTA, ME	ORA	AUGUSTA	ME	NORTHEAST (NEW YORK)	GSA LEASED
BORDER STATION - BLUEWATER BRIDGE, MI	ORA	PORT HURON	MI	CENTRAL (CHICAGO)	GSA LEASED
DISTRICT OFFICE W/LAB- DETROIT	ORA	DETROIT	MI	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- DETROIT, MI	ORA	DETROIT	MI	CENTRAL (CHICAGO)	GSA OWNED
RESIDENT POST- GRAND RAPIDS, MI	ORA	GRAND RAPIDS	MI	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- KALAMAZOO, MI	ORA	KALAMAZOO	MI	CENTRAL (CHICAGO)	GSA OWNED
DISTRICT OFFICE- MINNEAPOLIS	ORA	MINNEAPOLIS	MN	CENTRAL (CHICAGO)	GSA OWNED
RESIDENT POST- INTERNATIONAL FALLS, MN	ORA	INTERNATIONAL FALLS	MN	CENTRAL (CHICAGO)	GSA LEASED
DIVISION OF DRUG ANALYSIS	CDER	ST LOUIS	MO	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- SPRINGFIELD, MO	ORA	SPRINGFIELD	MO	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- ST LOUIS, MO	ORA	ST LOUIS	MO	SOUTHWEST (DALLAS)	
RESIDENT POST- JACKSON, MS	ORA	JACKSON	MS	SOUTHEAST (ATLANTA)	GSA OWNED
RESIDENT POST- HELENA MT	ORA	HELENA	MT	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SWEETGRASS, MT	ORA	SWEETGRASS	MT	PACIFIC (OAKLAND)	GSA LEASED
BORDER STATION - WILMINGTON, NC	ORA	WILMINGTON	NC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- ARDEN, NC	ORA	ARDEN	NC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- CHARLOTTE, NC	ORA	CHARLOTTE	NC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- GREENSBORO, NC	ORA	GREENSBORO	NC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- GREENVILLE, NC	ORA	GREENVILLE	NC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- RALEIGH, NC	ORA	RALEIGH	NC	SOUTHEAST (ATLANTA)	GSA OWNED
RESIDENT POST- DUNSEITH, ND	ORA	WILLOW CITY	ND	CENTRAL (CHICAGO)	DOMICILE
RESIDENT POST- FARGO, ND	ORA	FARGO	ND	CENTRAL (CHICAGO)	GSA OWNED
RESIDENT POST- PEMBINA, ND	ORA	PEMBINA	ND	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- OMAHA, NE	ORA	OMAHA	NE	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- CONCORD, NH	ORA	CONCORD	NH	NORTHEAST (NEW YORK)	GSA OWNED
DISTRICT OFFICE- NEW JERSEY	ORA	PARSIPPANY	NJ	CENTRAL (PHILADELPHIA)	GSA LEASED
OCI NEW YORK FIELD OFFICE	OCI	JERSEY CITY	NJ	HEADQUARTERS FIELD	FDA LEASED
RESIDENT POST- ELIZABETH, NJ	ORA	ELIZABETH	NJ	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- NORTH BRUNSWICK, NJ	ORA	NORTH BRUNSWICK	NJ	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- VOORHEES, NJ	ORA	VOORHEES	NJ		
RESIDENT POST- ALBUERQUE, NM	ORA	ALBUQUERQUE	NM	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- SANTA TERESA, NM	ORA	SANTA TERESA	NM	SOUTHWEST (DALLAS)	GSA OWNED

FDA
Geographic Distribution of Facilities

BUILDING NAME	ORGANIZATION	CITY	ST	FDA REGION	OWNERSHIP
RESIDENT POST- LAS VEGAS, NV	ORA	LAS VEGAS	NV	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- RENO, NV	ORA	RENO	NV	PACIFIC (OAKLAND)	GSA OWNED
BORDER STATION - LEWISTON BRIDGE	ORA	LEWISTON	NY	NORTHEAST (NEW YORK)	GSA LEASED
BORDER STATION - PEACE BRIDGE	ORA	BUFFALO	NY	NORTHEAST (NEW YORK)	GSA LEASED
DISTRICT/REGION/REGIONAL LAB- NEW YORK	ORA	JAMAICA	NY	NORTHEAST (NEW YORK)	GSA LEASED
DIVISION OF PERSONEL- NEW YORK	ORA	MANHATTAN	NY	NORTHEAST (NEW YORK)	GSA OWNED
IMPORT OFFICE- BUFFALO	ORA	BUFFALO	NY	NORTHEAST (NEW YORK)	GSA LEASED
RESIDENT POST- ALBANY, NY	ORA	ALBANY	NY	NORTHEAST (NEW YORK)	GSA LEASED
RESIDENT POST- ALEXANDRIA BAY, NY	ORA	WELLESLEY ISLAND	NY	NORTHEAST (NEW YORK)	FDA OWNED MODULAR UNIT/GSA OWNED
RESIDENT POST- BINGHAMTON, NY	ORA	BINGHAMTON	NY	NORTHEAST (NEW YORK)	GSA OWNED
RESIDENT POST- CHAMPLAIN, NY	ORA	CHAMPLAIN	NY	NORTHEAST (NEW YORK)	GSA OWNED
RESIDENT POST- LONG ISLAND	ORA	CENTRAL ISLIP	NY	NORTHEAST (NEW YORK)	
RESIDENT POST- MASSENA, NY	ORA	ROOSEVELTOWN	NY	NORTHEAST (NEW YORK)	GSA LEASED
RESIDENT POST- NEW WINDSOR, NY	ORA	NEW WINDSOR	NY	NORTHEAST (NEW YORK)	FDA OWNED MODULAR UNIT/GSA LEASED
RESIDENT POST- OGDENSBURG, NY	ORA	OGDENSBURG	NY	NORTHEAST (NEW YORK)	
RESIDENT POST- ROCHESTER, NY	ORA	ROCHESTER	NY	NORTHEAST (NEW YORK)	
RESIDENT POST- SYRACUSE, NY	ORA	SYRACUSE	NY	NORTHEAST (NEW YORK)	GSA LEASED
RESIDENT POST- WHITE PLAINS, NY	ORA	WHITE PLAINS	NY	NORTHEAST (NEW YORK)	GSA LEASED
DISTRICT OFFICE/FORENSIC CHEMISTRY - CINCINNATI	ORA	CINCINNATI	OH	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- BRUNSWICK, OH	ORA	BRUNSWICK	OH	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- COLUMBUS, OH	ORA	COLUMBUS	OH	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- TOLEDO, OH	ORA	TOLEDO	OH	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- OKLAHOMA CITY, OK	ORA	OKLAHOMA CITY	OK	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- TULSA, OK	ORA	TULSA	OK	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- BEAVERTON, OR	ORA	BEAVERTON	OR	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- PORTLAND AIRPORT, OR	ORA	PORTLAND	OR	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- PORTLAND, OR	ORA	PORTLAND	OR	PACIFIC (OAKLAND)	GSA OWNED
DISTRICT OFFICE/REGION W/LAB- PHILADELPHIA	ORA	PHILADELPHIA	PA	CENTRAL (PHILADELPHIA)	GSA OWNED
RESIDENT POST- HARRISBURG, PA	ORA	HARRISBURG	PA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- NORTH WALES, PA	ORA	NORTH WALES	PA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- PITTSBURGH, PA	ORA	PITTSBURGH	PA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- SCRANTON, PA	ORA	SCRANTON	PA	CENTRAL (PHILADELPHIA)	GSA OWNED
DISTRICT OFFICE W/LAB- SAN JUAN	ORA	SAN JUAN	PR	SOUTHEAST (ATLANTA)	FDA OWNED
OCI SAN JUAN RESIDENT OFFICE	OCI	SAN JUAN	PR	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- MAYAGUEZ, PR	ORA	MAYAQUEZ	PR	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- PROVIDENCE, RI	ORA	EAST PROVIDENCE	RI	NORTHEAST (NEW YORK)	GSA LEASED
RESIDENT POST- CHARLESTON, SC	ORA	CHARLESTON	SC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- COLUMBIA, SC	ORA	COLUMBIA	SC	SOUTHEAST (ATLANTA)	GSA OWNED
RESIDENT POST- GREENVILLE, SC	ORA	GREENVILLE	SC	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- SIOUX FALLS, SD	ORA	SIOUX FALLS	SD	CENTRAL (CHICAGO)	GSA LEASED
BORDER STATION - MEMPHIS, TN	ORA	MEMPHIS	TN	SOUTHEAST (ATLANTA)	GSA LEASED
DISTRICT OFFICE- NASHVILLE	ORA	NASHVILLE	TN	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- CHATTANOOGA, TN	ORA	CHATTANOOGA	TN	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- KNOXVILLE, TN	ORA	KNOXVILLE	TN	SOUTHEAST (ATLANTA)	GSA LEASED
RESIDENT POST- MEMPHIS, TN		MEMPHIS	TN	SOUTHEAST (ATLANTA)	
BORDER STATION - DFW AIRPORT, TX	ORA	DALLAS	TX	SOUTHWEST (DALLAS)	
DISTRICT/REGION/SW IMPORTS - DALLAS	ORA	DALLAS	TX	SOUTHWEST (DALLAS)	GSA LEASED
OCI AUSTIN RESIDENT OFFICE	OCI	AUSTIN	TX	HEADQUARTERS FIELD	GSA LEASED
RESIDENT POST- AUSTIN, TX	ORA	AUSTIN	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- BROWNSVILLE, TX	ORA	BROWNSVILLE	TX	SOUTHWEST (DALLAS)	GSA OWNED

FDA
Geographic Distribution of Facilities

BUILDING NAME	ORGANIZATION	CITY	ST	FDA REGION	OWNERSHIP
RESIDENT POST- EAGLE PASS, TX	ORA	EAGLE PASS	TX	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- EL PASO, TX	ORA	EL PASO	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- EL PASO, TX	ORA	EL PASO	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- EL PASO, TX	ORA	EL PASO	TX	SOUTHWEST (DALLAS)	
RESIDENT POST- FORT WORTH, TX	ORA	FORT WORTH	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- HOUSTON, TX	ORA	HOUSTON	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- LAREDO, TX	ORA	LAREDO	TX	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- LOS INDIOS, TX	ORA	LOS INDIOS	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- PHARR, TX	ORA	PHARR	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- RIO GRANDE CITY, TX	ORA	RIO GRANDE CITY	TX	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- SAN ANTONIO, TX	ORA	SAN ANTONIO	TX	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- YSLETTA, TX	ORA	EL PASO	TX	SOUTHWEST (DALLAS)	GSA OWNED
RESIDENT POST- SALT LAKE CITY, UT	ORA	SALT LAKE CITY	UT	SOUTHWEST (DALLAS)	GSA LEASED
RESIDENT POST- FALLS CHURCH, VA	ORA	FALLS CHURCH	VA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- HERNDON, VA	ORA	HERNDON	VA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- NORFOLK, VA	ORA	NORFOLK	VA	CENTRAL (PHILADELPHIA)	GSA OWNED
RESIDENT POST- NORFOLK, VA-IMPORT	ORA	NORFOLK	VA	CENTRAL (PHILADELPHIA)	FDA LEASED
RESIDENT POST- RICHMOND, VA	ORA	RICHMOND	VA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- ROANOKE VA	ORA	ROANOKE	VA	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- ST THOMAS, VI	ORA	CHARLOTTE AMALIE	VI	SOUTHEAST (ATLANTA)	GSA OWNED FDA OWNED MODULAR UNIT/GSA
BORDER STATION - HIGHGATE SPRINGS, VT	ORA	HIGHGATE SPRINGS	VT	NORTHEAST (NEW YORK)	OWNED
RESIDENT POST- ESSEX JUNCTION, VT	ORA	ESSEX JUNCTION	VT	NORTHEAST (NEW YORK)	GSA OWNED
DISTRICT OFFICE/REGIONAL LAB- SEATTLE	ORA	BOTHELL	WA	PACIFIC (OAKLAND)	GSA OWNED
RESIDENT POST- BAINBRIDGE ISLAND, WA	ORA	BAINBRIDGE ISLAND	WA	PACIFIC (OAKLAND)	DOMICILE
RESIDENT POST- BLAINE, WA	ORA	BLAINE	WA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- OROVILLE, WA	ORA	OROVILLE	WA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SEATTLE, WA	ORA	SEATTLE	WA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- SPOKANE VALLEY, WA	ORA	SPOKANE VALLEY	WA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- TACOMA, WA	ORA	TACOMA	WA	PACIFIC (OAKLAND)	GSA LEASED
RESIDENT POST- YAKIMA, WA	ORA	YAKIMA	WA	PACIFIC (OAKLAND)	DOMICILE
RESIDENT POST- GREEN BAY, WI	ORA	GREEN BAY	WI	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- MADISON, WI	ORA	MADISON	WI	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- WAUWATOSA, WI	ORA	WAUWATOSA	WI	CENTRAL (CHICAGO)	GSA LEASED
RESIDENT POST- CHARLESTON, WV	ORA	CHARLESTON	WV	CENTRAL (PHILADELPHIA)	GSA LEASED
RESIDENT POST- MORGANTOWN, WV	ORA	MORGANTOWN	WV	CENTRAL (PHILADELPHIA)	

FOOD AND DRUG ADMINISTRATION
User Fee History
(Dollars in Thousands)

USER FEES: Appropriations

User Fees	FY 2002 Actual		FY 2003 Actual		FY 2004 Actual		FY 2005 Enacted		FY 2006 Estimate	
	FTE	$	FTE	$	FTE	$	FTE	$	FTE	$
Definite Appropriations:										
PDUFA										
- *Human Drugs*	658	$104,093	742	$125,103	972	$162,653	1015	$199,762	1032	$213,908
- *Biologics*	237	$38,257	269	$44,959	217	$40,170	214	$38,353	216	$44,933
- *Office of Regulartory Affairs*	47	$6,531	41	$5,629	41	$5,808	40	$7,134	41	$8,675
- *Other Activities*	118	$11,891	149	$15,745	122	$13,535	146	$23,738	150	$25,116
- *Other Rent and Rent Related Activities*	0	$0	0	$0	0	$3,770	0	$3,000	0	$0
- *GSA Rent*	0	$1,040		$8,719	0	$6,146	0	$12,407	0	$12,700
Subtotal, PDUFA	**1,060**	**$161,812**	**1,201**	**$200,155**	**1,352**	**$232,082**	**1,415**	**$284,394**	**1,439**	**$305,332**
MDUFMA										
- *Biologics*			5	$2,157	21	$3,437	36	$7,850	37	$8,412
- *Medical Devices and Radiological Health*			14	$10,661	100	$17,253	152	$17,786	158	$22,173
- *Office of Regulartory Affairs*			4	$449	6	$676	10	$912	10	$1,194
- *Other Activities*			10	$1,071	10	$1,142	22	$4,061	22	$4,535
- *Other Rent and Rent Related Activities*			0	$100	0	$287	0	$686	0	$783
- GSA Rent			0	$400	0	$1,080	0	$2,643	0	$3,203
Subtotal, MDUFMA			**33**	**$14,838**	**137**	**$23,875**	**220**	**$33,938**	**227**	**$40,300**
ADUFA										
- *Animal Drugs and Feeds*					3	$983	58	$7,748	76	$9,301
- *Other Activities*					0	$0	2	$235	6	$646
- *GSA Rent*					0	$100	0	$371	0	$1,371
Subtotal, ADUFA					**3**	**$1,083**	**60**	**$8,354**	**82**	**$11,318**
Indefininate Appropriations:										
MQSA										
- *Devices and Radiological Health*	47	$13,695	36	$12,870	26	$4,039	32	$5,174	26	$5,337
- *Office of Regulartory Affairs*					8	$8,463	16	$11,543	16	$11,624
-*Other Activities*	2	$192	2	$204	2	$214	2	$202	2	$212
Subtotal, MQSA	**49**	**$13,887**	**38**	**$13,074**	**36**	**$12,716**	**50**	**$16,919**	**44**	**$17,173**
Export Certification	**15**	**$1,657**	**13**	**$1,663**	**11**	**$1,806**	**13**	**$1,615**	**13**	**$1,639**
Certification Fund	**33**	**$5,237**	**32**	**$7,855**	**35**	**$6,128**	**38**	**$5,223**	**38**	**$6,001**
Total, User Fees	**1,157**	**$182,593**	**1,317**	**$237,585**	**1,574**	**$277,690**	**1,796**	**$350,443**	**1,843**	**$381,763**

USER FEES: Obligations

	FY 2002 Actual		FY 2003 Actual		FY 2004 Actual	
	FTE	$	FTE	$	FTE	$
PDUFA:						
- *Human Drugs*	658	$104,093	742	$125,103	972	$162,653
- *Biologics*	237	$38,257	269	$44,959	217	$40,170
- *Office of Regulartory Affairs*	47	$6,531	41	$5,629	41	$5,808
- *Other Rent and Rent Related Activities*	118	$11,891	149	$15,745	122	$13,535
- *Other Activities*	0	$0	0	$0	0	$3,770
- *GSA Rent*	0	$1,040		$8,719	0	$6,146
Subtotal, PDUFA	1,060	$161,812	**1,201**	**$200,155**	**1,352**	**$232,082**
MDUFMA						
- *Biologics*			5	$2,157	21	$3,437
- *Medical Devices and Radiological Health*			14	$10,661	100	$17,253
- *Office of Regulatory Affairs*			4	$449	6	$676
- *Other Activities*			10	$1,071	10	$1,142
- *Other Rent and Rent Related Activities*			0	$100	0	$287
- *GSA Rent*			0	$400	0	$1,080
Subtotal, MDUFMA			**33**	**$14,838**	**137**	**$23,875**
MQSA	49	$13,887	38	$13,074	36	$12,716
Export Certification	15	$1,657	13	$1,663	11	$1,806
Certification Fund	33	$5,237	32	$7,855	35	$6,128
Subtotal	97	$20,781	83	$22,592	82	$20,650
Total, FDA	**1,157**	**$182,593**	**1,317**	**$237,585**	**1,571**	**$276,607**

USER FEES: Collections

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
	$	$	$	$	$
PDUFA Collections	$149,079	$348,489	$274,055	$284,394	$305,332
MDUFMA Collections	$0	$21,596	$27,169	$33,938	$40,300
ADUFA Collections	$0	$0	$4,866	$8,354	$11,318
MQSA Collections	$12,709	$12,295	$13,926	$16,919	$17,173
Export Certification	$1,584	$2,025	$1,806	$1,615	$1,639
Certification Fund	$4,988	$5,142	$5,180	$5,223	$6,001
Total, User Fees	**$168,360**	**$389,547**	**$327,002**	**$350,443**	**$381,763**

FOOD AND DRUG ADMINISTRATION
Department of Health and Human Services Charges and Assessments
Fiscal Year 2004

Assessments:

Quality of Worklife Initiative **$9,556**
The Quality of Work Life was created to help HHS employees deal with the multitude of changes impacting the worksite.

Safety Management Information System **$1,959**
A department-wide, computerized accident and injury reporting and analysis system required by the Department of Labor.

Safety, Health and Environmental Management **$11,944**
Agreement enables the Department to continue conducting program evaluations and environmental compliance assessments of occupational safety and health as required

Energy Program Review **$11,148**
Energy Efficiency and Water Conservation at Federal Facilities mandate a myriad of requirements from energy and water conservation in HHS facilities. HHS must ensure that all such requirements are met.

Health and Wellness Center **$792**
Funds from the Health and Wellness Center are used to provide a portion of the on-going operational costs of a healthy facility.

IT Access for Disable Persons **$32,489**
Federal agencies are required to ensure that individuals with disabilities have access to electronic and information technology systems and equipment that are comparable to the access enjoyed by people without disabilities.

Media Outreach **$5,625**
TAP provides funding to support Secretarial public affairs initiatives, including production and distribution of public services announcement and video news reports.

President's Council on Bioethics **$295,276**
TAP to fund the council which advises the President of Bioethical issues related to the advances in biomedical science and technology.

National Rural Development Partnership **$9,055**
TAP is managed by USDA's Rural Development Administration. Under the partnership, States develop State Rural Develop Councils which supports rural development through cooperation among Federal, State and Local governments

Fees for Service:

PROGRAM SUPPORT CENTER/FOH/OS **$31,654,000**
Provides various services to the FDA. The following is a breakdown of costs.

Human Resources, Personnel and Payroll:		6,445,000
Administrative Operations Service:		20,897,000
Security	10,952,000	
Building Operations	3,863,000	
Transhare	1,058,000	
Telecom	1,332,000	
Library	634,000	
Misc. – i.e. Product Distribution, Shipping & Handling, Shredding, Storage, Graphics Conference Center	3,058,000	
Financial Management Services:		227,000
Office of the Director (OD):		137,000

Employee related programs and Childcare.

Office of Secretary (OS): 2,818,000
Includes costs for Regional Health Administration, Audit Resolution, Contracts and Grants and Tracking Accounting in Government Grants. OS will include a portion of Commissioned Corp. Management costs in FY 04 and FY 05.

FOH: 1,130,000
FDA agency health units and services

NIH Management Fund **$14,128,000**
Agreement to support the Center for Biologics, Evaluation and Research activities on the NIH Campus. Includes Building Operations, Telecom, Utilities and various common services.

NIH Patents **$1,045,000**
Agreement with NIH for support developing patent applications for FDA.

JOINTLY FUNDED PROJECTS:

Enterprise Information Management **$7,120,000**
FDA's contribution to the HHS Enterprise Infrastructure Fund. The funds are used for Enterprise Information Tech programs/projects outlined in the Enterprise Info Tech Strategic Plan or which benefit the corporate enterprise, such as enterprise buys/licenses.

Unified Financial Management Systems (UFMS) **$4,879,803**
Interagency agreement with NIH to provide funding for UFMS.

Human Resource Center – Rockville $**10,257,000**

International Health Bilateral Agreement **$1,002,895**
Agreement to provide funding in support of the Bilateral Multilateral activities performed on behalf of the Public Service by the Office of Global Health Affairs

Spectrum Management Cost **$5,264**
Support for spectrum management services provided by the National Telecommunications and Information Administration (NTIA).
NTIA manages the Federal Governments use of the radio spectrum.

OPM Job Information Federal Assessment **$23,979**
OPM charges fees to Federal Agencies to cover costs associated with maintenance and enhancement to the USAJOBS website, outreach initiatives regarding public service through print ads and other materials.

Tri-Council Activities **$77,077**
TAP to support government wide financial, information technology, procurement and other management activities.

Public Health Reports **$57,000**
Agreement to support funding to produce the Public Health Reports publications, the Official scientific/medical/public health journal of the Public Services

Office of Pacific Health and Human Services **$14,467**
Agreement to support funding for health activities in support of the Office of Pacific Health and Human Services.

Motor Vehicle Information & Management **$5,000**
Agreement to support the MVIMS which generates reports on federal agency vehicle fleet expenditures.

NIH eRA Grants Management System **$45,289**
Pilot phase to support migration of FDA Grants Data into the Department's consolidated eRA Grants Management System

Financial Shared Services Study **$125,000**
Agreement to work on achieving projected milestones and offering recommendations to the senior leadership on the change management initiatives required to implement decisions.

DHHS Primary Health Care Policy Fellowship **$45,000**
Agreement with HRSA to support a DHHS Primary Health Care Policy Fellowship program and related staff support activities

Office of Public Health/Blood Safety **$648,333**
Agreement to provide funding for the advisory committee on Blood Safety.

Presidential Advisory Council on HIV/AIDS **$45,938**
Agreement to provide funding to the NIH Office of AIDS research

Core Support from National Academy of Science **$88,605**
Agreement for a group of standing bodies in a number of health areas that can be called upon to provide feedback on various issues or to conduct more deliberative seminars and studies on HHS programs

Federal Executive Board, Dallas **$19,247**
President's Management Council asked Federal agencies to fund the FEBs, and HHS agreed to support the Dallas-Fort Worth (DFW) FEB. This covers costs of the Executive Director position.

National Science Advisory Board for Biosecurity **$162,742**
Agreement with NIH to develop improved biosecurity measures for classes of legitimate biological research that could be misused to threaten public health or national security.

FOOD AND DRUG ADMINISTRATION

DHHS Charges and Assessments
FY 2004 Actual, and FY 2005 and 2006 Estimates

Activity	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
DHHS ASSESSMENTS 1/	**377,844**	**389,179**	**400,855**
FEE FOR SERVICE	**46,827,000**	**48,231,810**	**49,678,764**
Program Support Center/FOH/OS	*31,654,000*	32,603,620	33,581,729
NIH Management Fund	*14,128,000*	14,551,840	14,988,395
NIH Patents	*1,045,000*	1,076,350	1,108,641
JOINTLY FUNDED PROJECTS	**24,622,639**	**28,452,289**	**28,945,864**
Enterprise Information Management	*7,120,000*	*7,120,000*	*7,120,000*
Unified Financial Management System	*4,879,803*	*4,879,803*	*4,879,803*
Human Resources Consoliation Costs 2/	*10,257,000*	*14,015,675*	*14,436,145*
International Health - Bilateral Agreement	*1,002,895*	*1,032,982*	*1,063,971*
Other Jointly Funded Projects 3/	*1,362,941*	*1,403,829*	*1,445,944*
Total	**71,827,483**	**76,684,099**	**78,624,628**

1/ FY 2005 and FY 2006 are estimates based on historical charges and assessments.
2/ Human Resources Costs were for 8 months in FY 04, and will be full year in FY 05 & 06
3/ Includes Jointly Funded Projects under $1,000,000.

Budget and Performance Crosswalk

(Dollars in Thousands – Program Level)

Performance Program Area	Budget Activity	FY 2004 Current Estimate	FY 2005 Enacted	FY 2006 Request
Center for Food Safety and Applied Nutrition	Foods Program Center	$167,332	$175,189	$179,434
Center for Drug Evaluation and Research	Human Drugs Program Center	$410,038	$439,284	$456,933
Center for Biologics Evaluation and Research	Biologics Program Center	$148,584	$151,478	$158,038
Center for Veterinary Medicine	Animal Drugs and Feeds Program Center	$71,960	$75,658	$78,338
Center for Devices and Radiological Health	Devices and Radiological Health Program Center	$182,728	$206,208	$213,363
National Center for Toxicological Research	National Center for Toxicological Research	$39,883	$40,435	$41,381
Field Activities	Field Activities Program	$535,392	$560,256	$590,444
Agency-wide	Other Activities Program	$123,556	$124,349	$126,944
	FDA Consolidation at White Oak	$2,361	$20,846	$21,974
	Buildings and Facilities	$6,959	$0	$7,000
FDA Total*		$1,688,793	$1,793,703	$1,873,849

* This amount excludes two small user fee accounts (Export and Color Certification Funds) that total $7.64 million in FY 2006. These accounts fund specific services to industry based on a set fee amount that allows FDA to recapture the costs of providing the service. There is no Agency performance goals associated with these accounts.

Summary of Full Costs

(Dollars in Millions)

Performance Program Area	FY 2004	FY 2005	FY 2006
Center for Food Safety and Applied Nutrition	$187	$192	$198
Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements. (11001)	$50	$46	$43
Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the nation's food supply. (11010)	$85	$84	$80
Center for Drug Evaluation and Research	$435	$491	$493
Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available. (12001)	$245	$269	$271
Increase the number of drugs that are adequately labeled for children and ensure the surveillance of adverse events in the pediatric population. (12026)	$8	$9	$9
Improve the efficiency and effectiveness of the generic drug review program to ensure safer and more effective generic drug products are available for Americans. (12003)	$44	$48	$49
Improve the efficiency and effectiveness of the over-the-counter (OTC) drug review program to ensure a safe and effective drug supply is available. (12048)	$14	$16	$16
Enhance the protection of the American public against the effects of terrorist agents by facilitating the development of and access to medical countermeasures, providing follow-up assessments on therapies, and engaging in emergency preparedness and respon	$31	$34	$34
Improve the Safe Use of Drugs in Patients and Consumers (12007)	$68	$74	$75
Center for Biologic Evaluation and Research	$160	$162	$170
Complete review and action on 90% of standard original PDUFA NDA/BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt. (13001)	$45	$45	$47
Complete review and action on 90% of standard PDUFA efficacy supplements within 10 months; and review and act on 90% of priority PDUFA efficacy supplements within 6 months of receipt. (13002)	$45	$45	$47
Complete review and action on 90% of complete blood bank and source plasma BLA submissions, and 90% of BLA supplements within 12 months after submission date. (13005)	$54	$55	$58

Summary of Full Costs

Center for Veterinary Medicine	$73	$81	$84
Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA performance goals.	$38	$42	$43
Center for Devices and Radiological Health	$196	$223	$249
Complete Review and Decision on 80% of Expedited PMAs within 300 days./1 (15033)	$30	$33	$36
Complete Review and Decision on 80% of 180 day PMA supplements within 180 days./1 (15031)	$16	$18	$20
Complete Review and Decision on 75% of 510(k)s (Premarket Notifications) within 90 days./1 (15032)	$59	$66	$73
Maintain inspection and product testing coverage of Radiological Health industry at 10% of an estimated 2000 electronic products. (15027)	$22	$24	$27
Ensure at least 97% of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3% with Level I (serious) problems. (15007)	$32	$36	$40
Expand implementation of MedSun to a network of 300-350 facilities. (15012)	$32	$36	$40
National Center for Toxicological Research	$43	$43	$45
Use new technologies (toxicoinformatics, proteomics, metabonomics, and genomics) to study the risk associated with how an FDA-regulated compound or product interacts with the human body. (16014)	$21	$21	$22
Develop computer-based models and infrastructure to predict the health risk of biologically active products. (16003)	$6	$6	$6
Develop risk assessment methods and build biological dose-response models in support of Food Security. (16007)	$8	$8	$8
Catalogue biomarkers and develop standards to establish risk in a bioterrorism environment. (16012)	$8	$8	$8
Field Activities	$585	$608	$642
Foods Field Activities	$331	$346	$372
Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk.	NA	$7	$7
Perform 60,000 import field exams and conduct sample analyses on products with suspect histories.	$68	$69	$74
Perform at least 1,000 Filer Evaluations under new procedures. (19015)	$11	$12	$13
Conduct 2,000 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA are being exported. (19016)	$11	$12	$13

Summary of Full Costs

Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities to reduce health risks associated with food, cosmetics and dietary supplements products. (11020)	$150	$163	$173
Expand federal/state/local involvement in FDA's eLEXNET system by having 105 laboratories participate in the system. (19013)	$6	$6	$8
Establish and maintain a quality system in the ORA Field Labs which meets the requirements of ISO 17025 (American Society for Crime Lab Directors for the Forensic Chemistry Center) and obtain accreditation by an internationally recognized accrediting body	NA	$139	$147
Human Drugs Field Activities	$109	$107	$109
Increase risk-based compliance and enforcement activities to ensure product quality (12020)	$83	$91	$91
Biologics Field Activities	$35	$36	$37
Meet the biennial inspection statutory requirement by inspecting 50% of the approximately 2,700 registered blood banks, source plasma operations and biologics manufacturing establishments to reduce the risk of product contamination. (13012)	$33	$34	$35
Animal Drugs and Feeds Field Activities	$37	$43	$43
Ensure the safety of marketed animal drugs and animal feeds by conducting appropriate and effective surveillance and monitoring activities. (14009)	$70	$79	$82
Device and Radiological Health Field Activities	$74	$77	$82
Conduct 295 domestic and foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations. (15025)	$16	$18	$20
Utilize Risk management to target inspection coverage for Class II and Class Ill domestic medical device manufacturers at 20% of an estimated 5,540 firms. (15005.01)	$46	$51	$56
Utilize Risk management to target inspection coverage for Class II and Class Ill foreign medical device manufacturers at 7% of an estimated 2,500 firms. (15005.02)	$8	$9	$10
Additional Program Management Performance Goals			
Increase percentage of contract dollars allocated to performance based contracts (19006)	The full cost of this goal is included in the Program Management Allocation amount that has been spread over the Agency's programs.		

Summary of Full Costs

FDA's implementation of HHS's Unified Financial Management System. (19017)	The full cost of this goal is included in the Program Management Allocation amount that has been spread over the Agency's programs.		
Enhance the Agency Emergency preparedness and response capabilities to be better able respond in the event of a terrorist attack. (19008)	The full cost of this goal is included in the Program Management Allocation amount that has been spread over the Agency's programs.		
Full Cost Total	$1,679	$1,801	$1,881

* Full cost data for the measures under each performance program area are shown as non-adds. The sum of full costs of performance measures may not equal the full cost of the performance program area, to the extent the program has elements for which there are no current measures. However, each program in FDA has performance goals that account for 90-95% of its full costs when you include the relevant "Field Activities" for each program.

CFSAN's Performance Goals

Performance Goals	Targets	Actual Performance	Appendix Reference
1. Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements. (11001)	Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt. FY 06: 75% FY 05: 75% FY 04: 75% FY 03: 65% FY 02: 60% FY 01: 50% FY 00: 40% FY 99: 30%	 FY 06: FY 05: FY 04: 10/05 FY 03: 80% of 5 FY 02: 75% of 8 FY 01: 70% of 10 FY 00: 91% of 99 FY 99: 77% of 50	**4**
2. Respond to 95% of notifications for dietary supplements containing "new dietary ingredients" within 75 days. (11025)	FY 06: NA FY 05: NA FY 04: 95% FY 03: 95% FY 02: 95% FY 01: 90% FY 00: 90% FY 99: NA	FY 06: FY 05: FY 04: 95% of 49 FY 03: 100% of 58 FY 02: 99% of 44 FY 01: 100% of 22 FY 00: 100% of 25 FY 99: 100% of 23	**4**
3. Review 95% of premarket notifications for food contact substances within the statutory time limit (120 days). (11034)	FY 06: NA FY 05: NA FY 04: 95% FY 03: 95% FY 02: 95% FY 01: NA FY 00: NA	FY 06: FY 05: FY 04: 100% of 103 FY 03: 100% of 111 FY 02: 100% of 70 FY 01: 100% of 82 FY 00: 99% of 83	**4**
4. Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the nation's food supply. (11010)	Increase the percentage of the U.S. population that will live in states that have adopted the Food Code. FY 06: 49 States/ 84% FY 05: 49 States/ 84% FY 04: 43 states / 83% FY 03: 42 states FY 02: 28 states FY 01: 25 states FY 00: 18 states FY 99: 13 states	 FY 06: FY 05: FY 04: 44 states/75% FY 03: 43 FY 02: 40 FY 01: 28 FY 00: 20 FY 99: 15	**4** **Outcome Goal** **Supports Healthy People 2010 Objectives**

1. **Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements.** (Target: Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt.) (11001**)**

- **Context of Goal:** In this goal, performance is defined in terms of a review of all parts of a petition. This review would be followed by issuance of a "not approvable" letter, or by publication of a response in the Federal Register, if appropriate.
  This goal refers to completion of the safety evaluation of food and color additive petitions. This includes a review of the information in a filed petition, and one of two conclusions reached: either the petition does not support the requested action and a letter to that effect is transmitted to the petitioner with an explanation of why we reached the conclusion; or based on the review, we are prepared to recommend to the agency officials authorized to sign an order, that the use of the additive be approved (or denied), and communication of this information to the petitioner. It does not include the time to get the order and accompanying rationale for our decision reviewed, signed, and published in the Federal Register.
  Almost uniquely among products FDA regulates, food and color additives are not permitted to be marketed by means of correspondence from the agency to the petitioner (except in the case of food additives that are food contact substances, see below). Rather, the statute provides that the agency must, using formal rulemaking, publish in the *Federal Register* an order laying out the conditions by which anyone (not just the petitioner) may use a food or color additive, or an order denying the request to use a food or color additive, with an explanation in each case of how we came to our conclusions. (Alternatively, a petitioner may choose to withdraw a petition. In that case, the Agency publishes a notice of the withdrawal in the *Federal Register*). The law also provides a variety of administrative remedies to those who object to FDA's order to permit, or deny, use of a food or color additive, these include stays and administrative hearings. (For example, in the case of a color additive order, any objection automatically stays the regulation). Although objections are not routine, when they occur, they necessitate further "action" on the part of the agency. However, we, and our stakeholders, have considered publication of an order in the Federal Register as "final action".
  We have used the time to complete the evaluation of a petition as the goal because it is relatively unambiguous and measurable. It is also the part of the entire process that is most within the control of the organizations responsible for administering the food and color additive petition review process and thus most amenable to improvement by those organizations. Publishing an order in the Federal Register is subject to factors outside the agency's control. (For example, the statute requires public notice of filing of food and color additive petitions; comments to such filing, which must be reviewed and possibly responded to, may be submitted at any time prior to publication.)
  Completion of the safety evaluation is also the step that is most analogous to final action in the case of the dietary supplement and food contact substance premarket review processes. Because stakeholders are most interested in publication of a final order, we recognize the need to make all involved parties accountable for reducing the total time to publication as much as possible.
  The 360-day time frame used in this goal is not the same as the statutory time frame (i.e., 90 days, extendable to 180 days). It is widely recognized that meeting the current statutory time frame is an unrealistic goal for all food and color additive petitions, especially the more complex ones. The impracticability of the current time frame was acknowledged in a report from a June 1995 House hearing and FDA

recommended a change from the statutory time frame to '360 days of receipt' in a testimony before the House Committee on Government Reform and Oversight in 1996.

Subsequently, the Food and Drug Administration Modernization Act (FDAMA) established a notification process for food contact substances. The premarket notification program began to operate fully on January 18, 2000. With the full implementation of the premarket notification program, many of the simpler food additive petitions that were completed within 360 days were filed under the notification program, thus decreasing the workload for this goal. However, since the remaining petitions are likely to be more complex and take more time to review, the Agency anticipated that performance on this goal could decline initially. Once the notification and the recent improvements to the petition review process are well established, FDA expects performance on this goal to increase substantially toward full performance in succeeding years.

- **Performance:** In FY 2000, FDA exceeded its goal of completing the review of 40%, respectively, of food and color additive petitions with 360 days. The high performance figures in 1999 and 2000 do not presage similar numbers in later years. This is primarily because Congress passed, under the FDA Modernization Act of 1997, and implemented in FY 2000, the Food Contact Substance Premarket Notification Program. As a result, we are now receiving far fewer petitions than in previous years. Those that we do receive are for direct food additive uses of greater potential public health significance, which generally take more time and effort per petition to complete. In addition, as the new PMN program was being implemented, many pending petitions for food contact materials were withdrawn, leading to "completed actions" on many petitions. This artifact led to the increased performance figures for the receipt cohorts of FY 1999 and FY 2000. This, however, was a one-time phenomenon. For the petition receipt cohort of FY 2001, the Food's program completed the safety evaluation in less than 360 days for 7 out of 10 (70%) food and color additive petitions that do not qualify for expedited review. This meets our goal to complete 60% of these petitions within 360 days. For the petition receipt cohort of FY 2002, completed within 360 days of filing, the safety evaluation of six of the eight (75%) food and color additive petitions that do not qualify for expedited review. This meets our goal of completing at least 70% of these petitions within 360 days. We have conducted a careful analysis of these trends. Based on all available data, including receipt of far fewer (but generally far more labor intensive) petitions than in previous years, we project that completing review of 65% of food and color additive petitions in 360 days for the 2003 receipt cohort is a fair and challenging level of performance. For the petition receipt cohort of FY 2003, completed within 360 days of filing, the safety evaluation of four (80%) of five food additive petitions that do not qualify for expedited review. This exceeds our goal of completing at least 65% of these petitions within 360 days. Information for FY 2004 will be available in October 2005.
- **Data Sources:** CFSAN's electronic workflow system

2. **Respond to 95% of notifications for dietary supplements containing "new dietary ingredients" within 75 days.** (11025)

- **Context of Goal:** FDA reviews premarket notifications for new dietary ingredients (NDI) of dietary supplements. Once the notification is received it is reviewed for completeness and justification of safety. A letter is issued to the submitter acknowledging receipt of the notification and raising safety concerns if identified. This represents final action. This letter and notification are filed in Dockets Management Branch 90 days after receipt of the notification. This is the end of the process. The number of notifications the Agency received in FY 2002 more than tripled compared to what it received in FY 2001 (i.e., receipt of approximately 50 notifications for FY 2002 as of August 2002 versus receipt of 16 notifications in FY 2001). The complexity of the notifications also has increased in recent years. Nevertheless, the Agency will retain its review goal target of 95% for FY 2003 through FY 2005. Since the Agency does not know precisely what the workload will be in any given year, the 95% target is considered full performance.
  Additionally, in response to the additional regulatory responsibilities placed on FDA by the Dietary Supplement Health and Education Act of 1994 (DSHEA), FDA has also developed a Strategic Plan for implementing those responsibilities both in the premarket and postmarket areas. FDA's goal is to have a science-based regulatory program that will provide the Agency with the ability to successfully implement and carry out the regulatory responsibilities imposed by DSHEA within ten years, thereby providing consumers with a high level of confidence in the safety, composition, and labeling of dietary supplement products. The success of this strategy will, however, not only depend on adequate funding levels, but also on FDA's new and continued partnerships with other government agencies, academia, health professionals, industry, and consumers.
- **Performance:** FDA completed 100% of its reviews of NDI notifications within the 75-day deadline from FY 1998 – FY 2001. Due to the overlapping nature of a 75-day period, a notification review may be completed during the same or following fiscal year in which it was received. In addition, a notification may be received prior to the fiscal year in which the review was completed. Based upon this scenario, the following data represents the actual number of NDI notification reviews completed within the stated fiscal year: 20 in FY 1998; 23 in FY 1999; 25 in FY 2000; and 22 in FY 2001. In FY 2002, the Agency reviewed 44 notifications for new dietary ingredients. All except one were reviewed within the 75-day statutory timeframe. Of the 44 notifications reviewed, 10 were filed without comment; 3 were filed with comments; and 31 were filed with objection (3 of the 31 were not dietary supplements and the remaining 28 notifications had one or more of the following deficiencies: did not meet minimum requirements of 21 CFR 190.6; did not provide an adequate basis that the new dietary ingredient was reasonably expected to be safe; or made disease claims for the new dietary ingredient, thereby representing if as a drug).
  During FY 2003, CFSAN filed and responded to all 58 notifications for dietary supplements containing new dietary ingredients within the 75 day period. The notifications are reviewed for science-based evidence of safety. Letters were issued to the notifier to acknowledge receipt and, when necessary, to identify deficiencies and safety. During FY 2004, CFSAN filed 49 and responded to 47 notifications for dietary supplements containing new dietary ingredients. The notifications are

reviewed for science-based evidence of safety. Letters are issued to the notifier to acknowledge receipt and, when necessary, to identify deficiencies and safety concerns. A total of 31 letters identified deficiencies or safety concerns, one (1) did not fulfill the regulations found at 21 CFR 190.6, eight (8) were acknowledgements and seven (7) were not dietary ingredients.

- **Data Sources:** CFSAN's Correspondence Tracking System and manual tracking

3. **Review 95% of premarket notifications for food contact substances within the statutory time limit (120 days).** (11034)

- **Context of Goal:** As provided in the Food and Drug Administration Modernization Act (FDAMA), the Agency was mandated to establish a premarket notification program for food contact substances as a vehicle to re-inventing the premarket review process for food and color additives. The Congress appropriated resources in FY 2000 to fully fund this Program, and the first notifications became effective in March 2000. The statute provides that a food contact substance notification shall become effective (i.e., the food contact substance may be lawfully marketed) 120 days after receipt unless the Agency objects that the use of the food contact substance has not been shown to be safe. Thus, to ensure that unsafe food contact substances do not enter the marketplace, the program goal is to review all notifications within 120 days. "Final action" is used in the case of food contact substances because nothing more needs to be done before the substance can be legally marketed, unless we object, which is also a final action.
- **Performance:** In FY 2000, the Agency completed review of 82 of 83 notifications for food contact substances within 120 days. In FY 2001, the Agency received 80 notifications and completed review of 82 notifications, all within 120 days of receipt. The number reviewed includes those that became effective or were withdrawn or placed in abeyance because of deficiency during the previous fiscal year. In FY 2002, the Agency completed review of all (70) premarket notifications for food contact substances within 120 days. In FY 2003, CFSAN completed review of all 111 Food Contact Notifications within the 120-day statutory timeframe. In FY 2004, CFSAN completed the review of all 103 Food Contact Notifications within 120-day statutory timeframe.
- **Data Sources:** CFSAN's electronic workflow system; Internal Office of Pre-Market Approval database.

4. **Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the nation's food supply.** (Target: Increase the percentage of the U.S. population that will live in states that have adopted the Food Code.) (11010)

- **Context of Goal:** The Food Code is a reference document for regulatory agencies responsible for overseeing food safety in retail outlets, such as restaurants and grocery stores, and institutions, such as nursing homes and child care centers. It is neither federal law nor federal regulation, but may be adopted voluntarily and used by

agencies at all levels of government that have responsibility for managing food safety risks.

To achieve the public health goal of reducing foodborne illness to the fullest extent possible, steps must be taken at each point in the farm-to-table chain where hazards can occur. Adoption by all jurisdictions of the Food Code would result in uniform national standards and provide the foundation for a more uniform, efficient, and effective, national food safety system. FDA endorses the Food Code because the Code provides public health and regulatory agencies with practical science-based advice and manageable, enforceable, provisions for mitigating risk factors known to contribute to foodborne disease.

The Food Code is a component of an even larger effort aimed at decreasing foodborne illness, the National Retail Food Regulatory Program Standards program. In FY 2004, FDA will assist state programs and provide oversight in implementing the Standards program, and complete the data compilation of the national baseline data collected by CDC during FY 2003. Additionally, FDA plans to enroll 60 new jurisdictions in the Standards and baseline program in each year FY 2004 through FY 2009, while continuing to provide support and guidance to those 120 jurisdictions already enrolled. FDA will conduct audits of those enrolled in the Standards program in accordance with the Standards protocol.

- **Performance:** The Food Code has been revised and published every two years since 1993 with the latest in 2001. Also in 2001, the Association of Food and Drug Officials began a survey for FDA of State, Territorial, Local and Tribal Nations to track adoption of regulations or codes patterned after the FDA Food Code. That survey continues to track these adoptions and to develop a current data base to determine which jurisdictions have patterned their retail food regulations after the Food Code and which of the versions of the Food Code are being used. Currently, 44 of 56 State and Territories have adopted codes patterned after the 1993, 1995, 1997, 1999 or 2001 Codes. They represent 79% of the U.S. population (2000 Census). At the start of the survey, (2001), 72% of the population was in States using one of the FDA Food Codes. Currently, many States are upgrading their older codes to pattern after the 1999 or 2001 versions of the FDA Food Code. Of the remaining 12 States and Territories, 10 are actively pursuing Food Code adoption rule-making. (Arkansas, California, Guam, Kentucky, Maryland, New Jersey, New York, North Carolina, Vermont, Virgin Islands, and Washington) Rule-making by States can often take two or more years. Now 22 States pattern their codes after the 1999 FDA Food Code and 10 have adopted the 2001 Food Code. As the Agency achieves greater success towards getting all States and Territories to adopt the Food Code, it is believed that a more accurate picture of success from a direct public health standpoint is to quantify actual performance for this goal in terms of the percentage of the total US population that will live in States that have adopted the Food Code rather than the number of States that have adopted the Food Code. This new measurement will also take into account the demographic differences (population) that exist from State to State and region to region to avoid any impression that all states are equal. This change will be effective starting in FY 2004.

  The FY 2004 goals were to have 43 out of 56 states and territories with a food code modeled after our food code, and to have 83% of the U.S. population covered.

At the close of FY04, 44 of 56 states and territories (above our goal) had adopted food code provisions modeled after the FDA food code. However, this covered only 75% of the U.S. population (less than our goal), because California, which had indicated in its previous survey responses that its food code was modeled after the FDA Food Code, responded in 2004 that it does not model its food code after FDA's. (The wording in the most recent survey was modified from previous survey wording to help states more clearly determine whether their current food codes are modeled after FDA's food code.) California represents about 12% of the U.S. population. It does anticipate that its retail food code will be based on the FDA Food Code with adoption projected for 2006, and implementation by January 1, 2007.
As of December 2004, 48 out of 56 states and territories, covering 79% of the U.S. population, responded that they have food codes modeled after FDA's food code.

- **Data Sources**: Field Data Systems

CDER's Performance Goals

Performance Goals	Targets	Actual Performance	Reference
1. Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available. (12001) (Formerly: Ensure a safe and effective drug supply is available to the public.)	Meet PDUFA III commitments for the review of original NDA submissions by including: Standard NDAs within 10 months: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 70% FY 00: 50% FY 99: 30% Priority NDAs within 6 months: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90%	 FY 06: FY 05: FY 04: 10/05 FY 03: 100% of 82 FY 02: 99% of 84 FY 01: 90% of 86 FY 00: 79% of 92 FY 99: 66% of 95 FY 06: FY 05: FY 04: 10/05 FY 03: 100% of 19 FY 02: 100% of 12 FY 01: 100% of 10 FY 00: 97% of 29 FY 99: 100% of 31	**4**
2. Increase the number of drugs that are adequately labeled for children and ensure the surveillance of adverse events in the pediatric population. (12026)	FY 06: Issue at least 10 written requests (WRs) for drugs that need to be studied in the pediatric population and report to the pediatric advisory committee on	FY 06:	**4**

Performance Goals	Targets	Actual Performance	Reference
	adverse events for at least 10 drugs that receive pediatric exclusivity. FY 05: Issue at least 8 written requests for drugs that need to be studied in the pediatric population and report to the pediatric advisory committee on adverse events for 7 drugs that receive pediatric exclusivity. FY 04: A. Issue WRs for the study of on-patent drugs in the pediatric population B. Make exclusivity determinations once final study reports are submitted, C. Determine final pediatric labeling information & disseminate the information D. Post on web all medical/clinical pharmacology reviews at the time of action and publish FR notices. E. Work with NIH to publish annual Priority List	FY 05: FY 04: A. Issued 15 on-patent drug Written Requests to sponsors and issued 40 amendments to sponsors of existing Written Requests. Referred 5 on-patent Written Requests declined by sponsors to the Foundation for the NIH B. Final study reports submitted: 17; Exclusivity determinations: 20; Exclusivity granted: 19 C. Label changes: 23 labeling changes made and posted on the web Info disseminated: 3 Pediatric Advisory Subcommittee meetings; 1 Pediatric Advisory Committee meeting; 1-yr post-pediatric exclusivity adverse event reporting: 24 drugs presented; 1 FDA/NIH Newborn Workshop; 2 AAP Committee on Drugs Meetings; 33 outside presentations/liaison activities; 5 abstracts; 5 articles/chapters; 4 posters; 6 AAP News D. Medical/clinical pharmacology reviews posted: reviews for 22 drugs posted at the time of action and reviews for 5 additional SSRIs were made public E. Annual Priority List Published: Published in	

Performance Goals	Targets	Actual Performance	Reference
	of Drugs F. Issue 4-6 WRs for off-patent drugs; G. Work with NIH to issue RFPs for contracts for the study of drugs outlined in a WR (this is dependant on NIH's funding). H. Track all applications that trigger the study requirement under the Pediatric Research Equity Act, to include, waivers, deferrals and completed studies.	the FR on 2/13/04 F. Off-patent Written Request issued: 4 G. NIH RFP/contracts: FDA has been collaborating with NIH to issue 5 RFPs/contracts for off-patent Written Requests. H. Tracking all applications that trigger the study requirement under the P**REA, including waivers, deferrals and completed studies in an internal Access database. A dedicated CDER-wide PREA tracking system is under development.**	
3. Improve the efficiency and effectiveness of the generic drug review program to ensure safer and more effective generic drug products are available for Americans. (12003) (Formerly: Ensure safe and effective generic drugs are available to the public.)	FY 06: Decrease the average FDA time to approval or tentative approval for the fastest 70% of original generic drugs applications by 0.5 months. Complete review and action upon fileable original generic drug applications within 6 months after submission date. FY 05: 90% FY 04: 85% FY 03: 80% FY 02: 65% FY 01: 50% FY 00: 45% FY 99: 60%	FY 06: FY 05: FY 04: 4/05 FY 03: 90% of 449 FY 02: 85% of 339 FY 01: 84% of 298 FY 00: 56% of 307 FY 99: 28% of 309	**4**
4. Improve the efficiency and effectiveness of the over-the-counter (OTC) drug review program to ensure a safe and effective drug supply is available. (12048) (Formerly: Increase the number of drugs adequately labeled available for OTC use)	FY 06: Complete review and action on 100% of Rx-to-OTC Switch applications within 10 months of receipt. Make significant progress on completing 6 OTC monographs. FY 05: Complete review and action on 100% of Rx-to-OTC Switch applications within 10 months of receipt. Make significant progress	FY 06: FY 05:	**4**

Performance Goals	Targets	Actual Performance	Reference
	on completing 6 OTC monographs. FY 04: Complete review and action on 100% of Rx-to-OTC Switch applications within 10 months of receipt. Make significant progress on completing 6 OTC monographs. FY 03: NA	FY 04: Reviewed and acted on 100% of Rx-to-OTC Switch Applications within 10 months of receipt. Made significant progress on completing 8 OTC monographs: vaginal contraceptive drug products containing Nonoxynol 9; antacids; internal analgesic, antipyretic, and antirheumatic; laxatives; cold, cough, allergy, bronchodilator, and antiasthmatic; miscellaneous external drug products such as dandruff control, seborrheic dermatitis, and psoriasis; diaper rash; and sunscreen FY 03: NA	
5. Create state-of-the-art information management systems and practices to move to a paperless environment (e-Government). (12051)	FY 06: NA FY 05: 35% of ANDAs contain some electronic portion. FY 04: -Receive NDAs electronically using eCTD format; - 85% original NDAs with some electronic portion; - 50% original NDAs completely electronic; - 20% supplemental applications completely electronic; - 20% supplemental applications with some electronic portion; - 30% ANDAs with some electronic portion FY 03: - 80% original	FY 06: FY 05: FY 04: - CDER began receiving NDAs electronically using eCTD format; - 77.6% original NDAs with some electronic portion; - 0% original NDAS completely electronic; - 5.9% supplemental applications completely electronic; - 27.8% supplemental applications with some electronic portion; - 72.5% new ANDAs with some electronic portion FDA missed some of the targets because FDA does not require electronic submissions and cannot control the number received. FY 03: - 66.7% original	**8,4** **Efficiency Goal**

Performance Goals	Targets	Actual Performance	Reference
	NDAs with some electronic portion; - 55% original NDAs completely electronic; -15% supplemental applications completely electronic; - 15% supplemental applications with some electronic portion	NDA with some electronic portion; - 9.2% original NDA completely electronic; - 5.2% of supplemental applications totally - 24.2% supplemental applications with some electronic portion; electronic. FDA missed this target because the Agency does not require electronic submissions and cannot control the number received.	
6. Enhance the protection of the American public against the effects of terrorist agents by facilitating the development of and access to medical countermeasures, providing follow-up assessments on therapies, and engaging in emergency preparedness and response activities. (12045) (Formerly: Facilitate development and availability of medical countermeasures to limit the effects of the intentional use of biological, chemical, or radiologic/nuclear agents.)	FY 06: Coordinate and facilitate development for at least 6 medical countermeasures. FY 05: Coordinate and facilitate development for at least 5 medical countermeasures. FY 04: A. Develop list of high priority products for countermeasures and a plan to periodically review and update list; B. Develop guidance(s) for industry and stakeholders related to evaluating products under development or for which there is a need to develop products for medical countermeasures;	FY 06: FY 05: **FY 04:** A. CDER developed lists of products under development for uses against radiological/nuclear, chemical, and Category A biological agents. CDER also prioritized products as potential Emergency Use Authorization candidates. Four new drug and 16 generic drug applications were approved with counter-terrorism indications. B. Guidances: Published 1 final and 1 draft guidance. One draft guidance in clearance process. Comments to previously published draft guidance are being addressed. Two new guidances in draft. CDER has also contributed to drafting an Agency guidance on the	**2,4**

Performance Goals	Targets	Actual Performance	Reference
		emergency use authorization of medical products.	
	C. Facilitate drug development of countermeasures for plague;	C. Plague Countermeasures: Studies of 5 antibiotics in non-human primate pneumonic plague model continued. Enrollment began in the clinical trials of gentamicin for human plague in Africa.	
	D. Review existing data for ribavirin for viral hemorrhagic fevers;	D. Ribavirin review completed.	
	E. Facilitate intra-Agency program for development of radiological countermeasures	E. Intra-Agency Animal Rule Working Group (ongoing). Nuclear/ Radiological Therapeutic Countermeasures Working Group (ongoing)	
	FY 03: - Develop guidance for Industry on developing antiviral drugs; - Identify and begin to address labeling gaps in the therapeutic armamentarium; - Expedite the review of protocols for investigational new radioprotectant drugs; - Facilitate human clinical trials.	FY 03: - Guidance: Vaccinia complications guidance cleared by DHHS and press release prepared; - Anthrax Guidance undergoing revisions. - Radioprotectant drugs: Approval of Radiogardase; - FR finding of safety and efficacy for Ca- and Zn-DTPA; Guidances issued for Prussian Blue, DTPAs, and KI shelf-life extension Human clinical trials: Plague studies in Africa	
7. Improve the Safe Use of Drugs in Patients and Consumers (12007) (Formerly: Enhance postmarketing drug safety.)	FY 06: Review and provide comments on 100% of Risk Minimization Action Plans (RiskMAPs) for NMEs and for those products for which the sponsor or FDA initiated discussions, in accordance with applicable PDUFA goal dates. FY 05: Review and provide comments on 100% of Risk Minimization Action Plans (RiskMAPs) for NMEs and for those products for which the sponsor or FDA initiated	FY 06: FY 05:	**5**

Performance Goals	Targets	Actual Performance	Reference
	discussions, in accordance with applicable PDUFA goal dates.		
	FY 04: - Increase receipt of periodic ADE reports and Periodic Safety Update Reports (PSURs) electronically (submission electronically is voluntary);	FY 04: The receipt of PSURs increased from 9,710 reports in FY 2003 to 24,189 in FY 2004, a 149% increase.	
	- Publish final Industry guidance on good risk assessment and risk management, and pharmaco-vigilance practices (PDUFA-3);	- Concept papers on good risk assessment, risk management, and pharmaco-vigilance practices have been published, discussed, and commented on by the public. All three drafts published in May 2004, however, publication of the final guidance is taking longer than expected due to clearance delays	
	- Enhance AERS to support medication error capture and analysis;	– CDER made significant progress in determining what requirements are needed to enhance the AERS system and in preparing for a competitive procurement to obtain contractor support to make changes to AERS.	
	- Encourage industry to submit majority of ADE reports (all types) electronically;	-Two meetings (October and April) focusing on electronic reporting were held with approximately 25 participating manufacturers to further promote and advance the conversion from paper to electronic submission of AE reports. There was a 90% increase in electronic submission of ADE reports from FY 2003 (35,759) to FY 2004 (69,111).	
	- Finalize rulemaking for electronically submitting drug registration and listing information	- FDA has not finalized the rule requiring electronic submission of drug registration and listing information. This rule making involves	

Performance Goals	Targets	Actual Performance	Reference
		hundreds of pages of very complex information. Effort to develop and clear the draft rule has taken longer than anticipated. FDA expects to publish a proposed rule in FY 2005.	
	FY 03: Publish draft guidance to Industry on good risk assessment, risk management, and pharmacovigilance practices. Major reporting companies will be submitting all types of ADR reports electronically. Goal: 40% of all expedited ADR reports.	FY 03**:** - Developed draft guidance documents for good risk assessment, risk management, and pharmacovigilance - Received 357,392 ADE reports (total) including 139,148 expedited (serious, unexpected) reports. - 26,049 (19%) Expedited reports submitted electronically. (The current percentage is less than the goal of 40% because firms are not currently required by regulation to submit reports electronically.)	
8. Give consumers and health professionals more easily understandable, accessible, timely, and accurate prescription and OTC drug information. (12027)	FY 06: NA FY 05: NA FY 04: - Initiate 3 new public education campaigns and continue work on 2 in progress. - Prove the technical concepts for an Electronic Labeling Information Processing System (ELIPS), Medication Information Databases for new drug applications (MedID), and FDA/NLM public Ingredient Dictionary FY 03: NA	FY 06: NA FY 05: NA FY 04: CDER initiated 3 new public educations and completed 2 public campaigns on Acetaminophen/Liver Warning and NSAIDS GI Bleeding Warning. - After conducting a variety of proof of concept activities, CDER successfully documented a business case for developing ELIPs, MedID, and an Ingredient Dictionary. FY 03: NA	**4**
9. Improve the capability and efficiency of pharmaceutical development and manufacturing. (12052 - Formerly 12016)	FY 06: NA FY 05: cGMP: Continue progress in implementing an integrated quality management system; implement a risk-based site selection model for inspections based on results of pilot	FY 06: FY 05:	**4,8**

Performance Goals	Targets	Actual Performance	Reference
	FY 04: A. cGMP: Develop a Quality Systems framework for ensuring Pharmaceutical quality; B. Publish draft guidance for cGMP quality system principles for comment; C. Begin designation of specialized staff to form a Pharmaceutical Inspectorate (PI); D. Pilot a risk-based site selection model for inspections FY 03: PAT – Present during 1 trade meeting and 2 conferences. Meet with 2 potential applicants. Prepare a draft guidance. PQRI – Move toward 25% of completion for each of the three projects. (Initiate draft blend uniformity guidance in response to PQRI comments and participate in 2 PQRI work groups to develop recommendations)	FY 04: A. cGMP: The quality system framework document was officially adopted by the FDA Management Council on March 18, 2004; B. FDA developed draft guidance for three separate cGMP issues – all of which support quality system principles; C. FDA determined the staff who would form the PI and began training those staff; D. CDER developed the risk-based model for site selection in FY 2004 and plans to pilot it in FY 2005. FY 03: PAT – Presented during 1 trading meeting and discussed initiative during two conferences. Met with 2 potential applicants. Draft guidance was issued in August 2003. PQRI – Submitted comments regarding the blend uniformity document prepared by PQRI and participated in two PQRI Work Groups	

1. **Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available.** (12001) (Formerly: Ensure a safe and effective drug supply is available to the public.)

- **Context of Goal:** This performance goal focuses primarily on improving the effectiveness and efficiency with which the FDA processes new drug applications. Central to that focus is FDA's commitment to meeting the goals and requirements of the Prescription Drug User Fee Act (PDUFA). The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 reauthorized the collection of user fees to enhance the review process of new human drugs and biological products and established fees for applications, establishments, and approved products. FDA's timely performance of high-quality drug reviews in recent years reflects the importance of managerial reforms and substantial additional resources provided under the Prescription Drug User Fee Act (PDUFA).
  Consistent with the PDUFA requirements, a major objective of the human drugs program is to reduce the time required for review of all drugs. A key determinant in knowing if CDER is making progress in reducing time is to measure the time to "first action". The first action is the

first regulatory action CDER takes (approvable, not approvable, or approval letter) at the end of the review of the original NDA submission (the first review cycle). The "first action time" refers to the time it takes to review and take an action on the original submission. This statistic is different from "total approval time" which is the time it takes from the original receipt of the application until it is approved, which may take more than one review cycle. "Total approval time" includes time spent reviewing an application in each of the review cycles plus the time taken by the sponsor to respond to the issues raised in the approvable/not approvable letter(s) and to re-submit the application for review.

CDER's featured targets under this performance goal are to measure time to first action for "priority" submissions and "standard" submissions. Applications for drugs similar to those already marketed are designated standard, while priority applications represent drugs offering significant advances over existing treatments. (For example, drugs for Acquired Immune Deficiency Syndrome (AIDS) and cancer typically fall into the priority category.)

- **Performance:** CDER will not have the final performance numbers for FY 2004 until October 2005. The latest information on CDER's performance toward the targets for this performance goal is from FY 2003. In FY 2003, CDER exceeded all PDUFA goals, including first actions on NDAs.

  Performance toward the standard and priority NDA submissions, and other PDUFA goals, is provided in the following table:

Fiscal Year 2003 First Action Review Performance
(Cohort closed as of October 31, 2004)

	Number Filed	2003 Performance Goal	Final Performance
NDAs			
Standard	19	90% in 10 mo.	100%
Priority	82	90% in 6 mo.	100%
NMEs			
Standard	19	90% in 10 mo.	100%
Priority	10	90% in 6 mo.	100%
NDA Resubmissions			
Class 1	24	90% in 2 mo.	96%
Class 2	38	90% in 6 mo.	100%
Efficacy Supplements			
Standard	103	90% in 10 mo.	97%
Priority	35	90% in 6 mo.	100%
Efficacy Resubmissions			
Class 1	16	30% in 2 mo.	94%
Class 1	16	90% in 6 mo.	100%
Class 2	40	90% in 6 mo.	100%
Manufacturing Supplements			
Requiring Prior Approval	617	90% in 4 mo.	97%
CBE	1079	90% in 6 mo.	99%
First Cycle Filing Review Notification			
NDA	104	50% within 14 days after 60 day filing	84%
Efficacy Supplements	105	50% within 14 days after 60 day filing	85%

The graph below illustrates that total approval time in months for priority applications has decreased from 15 months in 1994 to 6 months in 2001, increased to 19.1 months in 2002, and decreased to 7.7 months in 2003. FY 2002 saw a steep rise in median total approval times for priority NDAs and NMEs. This increase was a statistical artifact caused by the approval of a number of older applications remaining from the 1999 and 2000 receipt cohort coupled with a significant decrease in the number of priority applications received in 2001 and 2002. With a smaller pool of recent priority applications with short approval times, the remaining "tail" of submissions for earlier years dominated the median approval time statistic. Total approval time for standard applications has decreased from 22.1 months in 1994 to 14 months in 2001 and increased slightly to 15.3 and 15.4 months in 2002 and 2003 respectively. Total approval time represents the total review time at the Agency plus Industry response time to the Agency's requests for additional information.

- **Data Sources and Issues:** Review performance monitoring is being done in terms of cohorts, e.g., FY 2003 cohort includes applications received from October 1, 2002, through September 30, 2003. CDER uses the Center-wide Oracle Management Information System (COMIS) and New Drug Evaluation/Management Information System (NDE/MIS). FDA has a quality control process in place to ensure the reliability of the performance data in COMIS.

2. Increase the number of drugs that are adequately labeled for children and ensure the surveillance of adverse events in the pediatric population. (12026)

- **Context of Goal:** The context of the Pediatric Program's performance goal covers the activities and requirements of the various laws passed to ensure safe and effective drug products are available for children. Due to the inadequacy of pediatric use information found in the majority of prescription medications in the United States, Congress passed several legislative initiatives to promote drug development for children. In 1997, the Food and Drug Administration Modernization Act (FDAMA) was signed into law with section 111 providing incentives to manufacturers who conduct studies in children. This incentive program, which provides six months of additional marketing exclusivity in return for conducting pediatric studies requested by the FDA, was reauthorized in January 2002 under the Best Pharmaceuticals for Children Act (BPCA). As a result of these initiatives, the number of ongoing pediatric clinical trials in the last 5 years has increased dramatically. Many of the studies reported to date have yielded new dosing and safety information in labeling. On December 3, 2003, the Pediatric Research Equity Act (PREA) was enacted. This law provides FDA the authority to require pediatrics studies for certain new and already marketed drug and biological products. PREA incorporates many elements of the former "Pediatric Rule" (63 FR 66632, Dec. 2, 1998) that was struck down in U.S. District Court for the District of Columbia on October 17, 2002. The effective date of PREA is retroactive to April 1, 1999, the same date the former Pediatric Rule became effective. Due to the retroactive nature of the legislation, a significant number of previously submitted applications are now subject to the requirements.
  Since 1998, FDA has reviewed 363 Proposed Pediatric Study Requests (PPSR), issued 298 Written Requests (WR) for on-patent drugs asking for over 687 studies to be conducted in the pediatric population, and has granted exclusivity to 106 out of the 116 products that have had an exclusivity determination. Eight-seven of the 116 products that have had an exclusivity determination now have approved labeling that incorporates information from the pediatric studies. Accurate dosing and safety information is now available for products labeled for use in asthma, allergies, diabetes mellitus, high blood pressure, pain, seizures, obsessive-compulsive disorder, HIV infection, atopic dermatitis, and many other conditions.
- **Performance:** In previous performance plan submissions, CDER has included a variety of aspects of the Pediatrics program in its target for the Pediatric Program performance goal. The following table displays the details for the targets each year previously submitted. The text

following the table provides actual measurements of performance for the FY 2004 and FY 2003 targets.

		FY 2005	FY 2004	FY 2003
BPCA: on-Patent Drugs	Target	Issue at least 8 written requests for drugs that need to be studied in the pediatric population and report to the pediatric advisory committee on adverse events for 7 drugs that receive pediatric exclusivity.	A. Issue WRs for the study of on-patent drugs in the pediatric population B. Make exclusivity determinations once final study reports are submitted, C. Determine final pediatric labeling information & disseminate the information D. Post on web all medical/clinical pharmacology reviews at the time of action and publish FR notices.	A. Complete review and action on 80% of pediatric supplements in response to a WR within 6 months. B. Work with NIH to publish the initial Priority List of Drugs and work with NIH to update the list. C. Issue WRs for the study of on-patent drugs in the pediatric population D. Make exclusivity determinations once final study reports are submitted, E. Determine final pediatric label changes, and disseminate information.
BPCA: off-Patent Drugs	Target	See above	E. Work with NIH to publish annual Priority List of Drugs F. Issue 4-6 WRs for off-patent drugs; G. Work with NIH to issue RFPs for contracts for the study of drugs outlined in a WR (this is dependant on NIH's funding).	F. Issue 6-8 WRs for off-patent drugs G. Work with NIH to issue RFPs for contracts for the study of drugs (outlined in a WR) H. Publish 5-7 RFPs.
PREA	Target	see above	H. Track all applications that trigger the study requirement under the Pediatric Research Equity Act, to include, waivers, deferrals and completed studies.	I. Track all applications that would have triggered the pediatric rule, to include waivers, deferrals, and completed studies.

FY 2004 performance is summarized in the following list:

A. *Issue WRs for the study of on-patent drugs in the pediatric population*:
Issued 15 on-patent drug Written Requests to sponsors and issued 40 amendments to sponsors of existing Written Requests.
Referred 5 on-patent Written Requests declined by sponsors to the Foundation for the NIH

B. Make exclusivity determinations once final study reports are submitted:
Final study reports submitted: 17
Exclusivity determinations: 20
Exclusivity granted: 19

C. Determine final pediatric labeling information & disseminate the information:
Label changes: 23 labeling changes made and posted on the web
Info disseminated: 3 Pediatric Advisory Subcommittee meetings; 1 Pediatric Advisory Committee meeting; 1-yr post-pediatric exclusivity adverse event reporting: 24 drugs presented; 1 FDA/NIH Newborn Workshop; 2 AAP Committee on Drugs Meetings; 33 outside presentations/liaison activities; 5 abstracts; 5 articles/chapters; 4 posters; 6 AAP News

D. Post on web all medical/clinical pharmacology reviews at the time of action and publish FR notices:
Medical/clinical pharmacology reviews posted: reviews for 22 drugs posted at the time of action and reviews for 5 additional SSRIs, that did not fall under the provisions of Section 9 of the BPCA, were made public.

E. Work with NIH to publish annual Priority List of Drugs:
Annual Priority List Published in the FR on 2/13/04

F. Issue 4-6 Written Requests for off-patent drugs:
Off-patent Written Requests issued: 4

G. Work with NIH to issue RFPs for contracts for the study of drugs outlined in a WR (this is dependent on NIH's funding):
NIH RFP/contracts: FDA has been collaborating with NIH to issue 5 RFPs/contracts for off-patent Written Requests.

H. Track all applications that trigger the study requirement under the Pediatric Research Equity Act, to include, waivers, deferrals and completed studies:
Tracking all applications that trigger the study requirement under the Pediatric Research Equity Act, including waivers, deferrals and completed studies in an internal Access database. A dedicated CDER-wide PREA tracking system is under development.

FY 2003 performance is summarized in the following list:

A. Complete review and action on 80% of pediatric supplements in response to a WR within 6 months: CDER reviewed and acted upon 17 of 17 (or 100%) of the pediatric supplements received within the 6-month timeframe.

B. Work with NIH to publish the initial Priority List of Drugs and work with NIH to update the list: NIH published the initial Off-Patent Drug List on 1/21/03 and an update on 8/13/03

C. *Issue WRs for the study of on-patent drugs in the pediatric population:* FDA issued 28 WRs for on-patent drugs and 56 amendments to existing WRs.

D. Make exclusivity determinations once final study reports are submitted:
Final study reports submitted: 23
Exclusivity Determinations: 21
Exclusivities Granted: 19

E. Determine final pediatric label changes, and disseminate information
Labels Changed: 21
Information Disseminated: 2 AAP News
Article published: 4 abstracts published; 1 JAMA article published; 2 Pediatric Advisory Subcommittee meetings held; Newborn Workshop Planning meeting; 27 other outside presentations

F. Issue 6-8 WRs for off-patent drugs: FDA issued 7 off-patent WRs

G. Work with NIH to issue RFPs for contracts for the study of drugs (outlined in a WR): In response to the BPCA, the Agency has undertaken numerous collaborative activities with the Institute of Medicine (IOM), the National Institutes of Health (NIH) and the American Academy of Pediatrics (AAP). NIH and FDA have developed a process for transforming written requests (WRs) into requests for proposals (RFPs) as well as collaborating on the development of the annual Priority List of Drugs.

H. *Publish 5-7 RFPs:* NIH has published 4 RFPs and published the initial Off-Patent Drug List on 1/21/03 and an update on 8/13/03.

I. *Track all applications that would have triggered the pediatric rule, to include waivers, deferrals, and completed studies.* The Pediatric Rule was enjoined by the US District Court on October 17, 2002. However, the applications that would have triggered the Pediatric Rule were entered into a pediatric tracking database.

For FY 2003, the target for this performance goal included several measures within the Pediatric program. Despite the fact that all of the work required to meet this performance goal was accomplished by FDA, the target to work with NIH to issue RFPs for contracts for the study of drugs outlined in a written request and publish 5-7 RFPs was not met, as NIH only published 4 RFPs. The process of publishing RFPs is completely managed by NIH and therefore, the publication of an RFP is not under FDA's control.

- **Data Sources and Issues:** Pediatric Exclusivity Database, Pediatric Page database, and CHCA inpatient database. The Pediatric Exclusivity Database tracks all data regarding pediatric exclusivity as mandated by FDAMA and reauthorized by BCPA. Specifically, this database tracks the number of WRs issued and the number of products for which pediatric studies have been submitted and for which exclusivity determinations have been made. The Pediatric Page

database captures all information regarding waivers, deferrals, and completed studies for applications that are subject to the Pediatric Research Equity Act.

3. **Improve the efficiency and effectiveness of the generic drug review program to ensure safe and effective generic drug products are available for Americans.** (12003) (Formerly: Ensure safe and effective generic drugs are available to the public.)

- **Context of Goal:** Generic drugs are much appreciated for their cost-effectiveness. According to the Congressional Budget Office, they save consumers an estimated $8 billion to $10 billion a year compared with the price of trade-name products. The basic requirements for approval of generic and trade-name drugs are the same as new drug approvals, although the generic drug manufacturer does not need to repeat the safety and efficacy studies conducted by the developer of the original product. Prior to approval, generic drug sponsors are required to demonstrate bioequivalence to the innovator drug product by showing that the active ingredient in their product is absorbed at a rate and extent similar to the innovator counterpart. The approval time is measured from the date the application is received to the date a major action, either an approval or not approvable, is reached.
  This performance goal is an interim step toward achieving the Agency long-term outcome goal to reduce average time to marketing approval or tentative approval for safe and effective new generic drugs. The target for the long-term outcome goal is to reduce the average FDA time to approval or tentative approval for the fastest 70% of original generic drug applications by 1.5 months. The FY 2006 target involves making interim progress toward that target by decreasing the average time by 0.5 months.
  Targets for FY 2003 - 2005 for this performance goal involve progressively increasing the percentage of generic drug applications reviewed and acted upon within six months after submission. Reviewing and acting upon more applications in less time should help drive down the average approval time. In FY 2002, the median approval time for generic drugs was 18.3 months. For FY 2003, the median approval time was down by one month to 17.3 months and down another month to 16.3 months for FY 2004.
- **Performance:** FDA exceeded its goal for FY 2004 by acting on 91 (estimated) percent of 563 original applications. (Final figures for FY 2004 will be available after March 31, 2005.) FDA also exceeded its goal in FY 2003 by acting on 90 percent of 449 original applications. In FY 2002 CDER continued to improve the generic drug review process and educate various audiences in the safe and effective use of generic drugs as a substitute to their brand-name counterparts. Increased staff has provided the Office of Generic Drugs with scientific managers and experts, including a Director of Science, several chemistry reviewers and managers, a Medical Officer, and regulatory management officers. Furthermore, compliance and legal support to the Office of Generic Drugs was expanded. The increased staff was critical in reducing review times for ANDAs/generic drug applications and granting approval as quickly as possible. With the requested increases for FY 2005, FDA plans to hire additional reviewers and other staff to accelerate the review and approval of Abbreviated New Drug Applications. In addition, we plan to improve the review of ANDAs without sacrificing product quality to allow the Agency to reach its goal of reviewing 90 percent in FY 2005 within six months after submission. We also plan to hire additional inspectors to increase inspections of domestic and foreign firms associated with generic drug production, an activity critical to reducing total approval times; and, increase coverage of imported generic drugs to better monitor the quality of finished drug products and bulk drug substances from overseas. Additionally, the increase will also be used to conduct research that will allow us to address specific scientific questions regarding bioequivalence and chemistry of generic products. This research will be directed at evaluating ways to enable

approval of generic drugs in areas that currently lack generic alternatives, such as inhalational or topical drug products.

- **Data Sources and Issues:** COMIS, NDE/MIS: FDA has a quality control process in place to ensure the reliability of the performance data in COMIS. This process provides information on how document room contractors and the Records Management Team quality control this data.

4. Improve the efficiency and effectiveness of the over-the-counter (OTC) drug review program to ensure a safe and effective drug supply is available. (12048) (Formerly: Increase the number of drugs adequately labeled available for OTC use)

- **Context of Goal:** Over-the-counter (OTC) drugs play an increasingly vital role in America's health care system. The trend to self-medicate has increased greatly in recent years as health care costs have risen and consumers want to be empowered to treat minor ailments with OTC drug products. However, safety, effectiveness, and proper labeling have not always been characteristic of OTC drug products in the United States. FDA's goal by 2010 is to complete its existing review of OTC drug products, to have considered a number of key foreign drugs for marketing in the United States, and to have considered a number of key potential "prescription (Rx)-to-OTC" switches.
  OTC drug monographs are "recipes" for marketing OTC drug products without the need for FDA pre-clearance. The monographs list the allowed active ingredients and the dosage or concentration, the required labeling, and packaging and testing requirements if applicable. The monographs save manufacturers costs and reduce barriers to competition, as they allow both large and small companies to enter the market place with OTC drug products that have to meet the same, uniform criteria. Final monographs (agency final rules) need to be completed for a number of large product categories (e.g., external analgesics, internal analgesics, antimicrobials, oral health care products, laxatives). In the next 7-10 years, FDA plans to complete the initial review of OTC monographs for 29 categories of drug products, thereby eliminating all unsafe and ineffective products from the OTC market.
- **Performance:** FDA exceeded its goal by completing review and action on 100% of Rx-to-OTC switch applications within 10 months of receipt and making significant progress on 8 OTC monographs (vaginal contraceptive drug products containing Nonoxynol 9; antacids; internal analgesic, antipyretic, and antirheumatic; laxative; cold, cough, allergy, bronchodilator, and antiasthmatic; miscellaneous external drug products such as dandruff control, seborrheic dermatitis, and psoriasis; diaper rash; and sunscreen). In FY 2003 eleven new OTC drug products were approved and seven had approvable actions. FDA acted upon 100% of Rx-to-OTC applications within 10 months of receipt in FY 2003 and made significant progress on 6 OTC monographs (sunscreen, internal analgesic, healthcare antiseptics, laxative, poison treatment, and oral health care). The expansion of the OTC drug review to evaluate foreign OTC drugs is expected to increase switch requests in the near future. While CDER is hoping for a 50 percent increase in applications, we do not control the number of applications submitted. For this reason, we do not believe a specific number in this goal is appropriate. FDA recognizes that some of these switch requests involve issues of "OTCness" - determination that the drug is appropriate for OTC use and developing appropriate labeling and other information (such as was done for OTC stop smoking aid products) for safe and effective consumer use of these products without the intervention of a health care professional.
- **Data Sources and Issues:** CDER uses the Center-wide Oracle Management Information System (COMIS) and New Drug Evaluation/Management Information System (NDE/MIS). FDA has a quality control process in place to ensure the reliability of the performance data in COMIS. Published monographs that establish acceptable ingredients, doses, formulations, and consumer labeling for OTC drugs.

5. Create state-of-the-art information and knowledge management systems and practices to move to a paperless environment. (12051)

- **Context of Goal:** The use of current technology will allow CDER to receive and review regulatory submissions more efficiently. In order to move to a paperless environment in an efficient and cost effective manner, we must develop standards for submission.
- **Performance:** Due to the increase in electronic submissions since 1997, there has been a significant decrease in the average number of paper volumes per NDA submissions. CDER has been receiving an increasing volume of regulatory submissions in electronic format. In FY 2004, CDER processed 5,849 submissions. In that year, CDER received 134 new NDAs of which 77.6% had electronic components. CDER exceeded its target for ANDAs with electronic components. In FY 2004, CDER processed 571 new ANDAs of which 72.5% had electronic components. In FY 2003, CDER processed 3753 submissions which was over 100 percent of the FY 2001 submission rates. In that year, CDER received 120 new NDAs of which 66 percent had electronic components. The number of totally electronic submissions was 9 percent for FY 2003, and new supplements received with an electronic component was 24.1 percent for the year. CDER began receiving electronic ANDAs toward the end of 2002. In FY 2003, CDER processed 287 submissions. In that year, CDER received 444 new ANDAs of which 37 percent had electronic components.
- **Data Sources and Issues:** The CDER Electronic Document Room.

6. Enhance the protection of the American public against the effects of terrorist agents by facilitating the development of and access to medical countermeasures, providing follow-up assessments on therapies, and engaging in emergency preparedness and response activities. (12045)

- **Context of Goal:** The first therapy for those exposed to a biological, chemical, or radiological/nuclear agent is often a drug. FDA has been taking an aggressive and proactive approach to getting information on medical countermeasures into the labeling of already approved drugs. For example, gentamicin has not been FDA-approved for plague, yet is also widely recommend as a preferred therapy by experts. Human clinical trial data are needed to demonstrate safety and efficacy for specific treatments and to identify new therapeutic drug options.
  In the Federal Government's response to various agents of mass destruction, drugs will be mobilized from the CDC's Strategic National Stockpile (SNS). However, not all drugs in the SNS are FDA-approved for Counterterrorism uses. Identification of these deficits including development of a plan to address these deficits will move the Public Health Service closer to a goal of labeling all drugs that reside in the SNS for Counterterrorism uses.
- **Performance:** Measurements of performance for the FY 2004 targets for the Counter Terrorism performance goal were:
  A. *Develop list of high priority products for countermeasures and a plan to periodically review and update list*: CDER developed and maintains a list of products for uses against radiological/nuclear, chemical, and Category A biological agents. It includes all products of which we are aware and identifies the stage of development and other relevant information. It also includes products that are FDA-approved for other indications but have potential for development for counter-terrorism (CT) uses, as well as products that are FDA-approved for CT uses. Four new drug and 16 generic drug applications were approved with counter-terrorism indications:

Radiation: Radiogardase (insoluble Prussian blue) capsules were approved to treat people internally contaminated with radioactive Cesium-137 or Thallium, October 2003. Pentetate calcium trisodium injection (Calcium DTPA) and pentetate zinc trisodium injection (Zinc DTPA) were approved for the treatment of internal contamination with plutonium, americium, or curium, August 2004.
Chemical: The Pediatric AtroPen infant atropine autoinjector was approved, September 2004. The atropine autoinjector products automatically inject a potentially life-saving antidote into people poisoned by nerve agent. The pediatric and now infant autoinjectors provide this same benefit in a dose and dosage form suitable for children as young as 6 months.
Biological: In 2004, fifteen new generic drug products for ciprofloxacin were approved and new labeling for Procaine PenG was approved, with the indication of prevention of inhalational anthrax post-exposure.
With the passage of the National Defense Authorization Act for Fiscal Year 2004, CDER took a proactive stance to address potential products for use under the Emergency Use Authorization (EUA) provisions by reviewing the SNS formulary list and prioritizing several products as candidates for EUA evaluation. A working group drafted a review template as well as processes and procedures for handling EUA submissions.
B. *Develop guidance(s) for industry and stakeholders related to evaluating products under development or for which there is a need to develop products for medical countermeasures*: In March of 2004, CDER finalized and published the *Guidance for Federal Agencies and State and Local Governments: Potassium Iodide Tablets Shelf Life Extension*. CDER also published the *Draft Guidance for Industry: Vaccinia Virus — Developing Drugs to Mitigate Complications from Smallpox Vaccination*, has evaluated comments received, and is in the process of finalizing the guidance.
The *Draft Guidance for Industry: Developing Drugs to Treat or Prevent Smallpox (Variola) Infection – Preparing an IND* was completed and began the clearance process.
In March 2002, CDER published the *Draft Guidance for Industry – Inhalational Anthrax (Post-Exposure) Developing Antimicrobial Drugs*. In 2004, revised the guidance to address the comments received.
CDER and CBER are collaborating on a draft *Guidance for Industry: Inhalational Anthrax (Symptomatic) - Developing Therapeutics that Target Anthrax Toxin*. Initiation of this guidance followed the June 2004 public workshop "Strategies for Developing Therapeutics that Directly Target Anthrax and its Toxins." CDER, CBER, NIH, DARPA, USAMRIID, and CDC collaborated on and participated in this workshop, held at the NIH's Natcher Auditorium.
CDER also drafted *Guidance for Industry: Development of Decorporation Agents for the Treatment of Internal Radioactive Contamination*. The guidance has been completed and is currently undergoing review to complete final sign off prior to publication.
CDER also participated in drafting the Agency guidance *Emergency Use Authorization of Medical Products*, to inform industry, government agencies, and FDA staff of the Agency's general recommendations and procedures for issuance of emergency use authorizations (EUA) under the National Defense Authorization Act for Fiscal Year 2004 and subsequent enactment of the Project BioShield Act of 2004. The text of the draft guidance has been completed and is currently undergoing review at the DHHS level.
C. *Facilitate drug development of countermeasures for plague*; In FY 2004, CDER continued to develop the African green monkey (AGM) model of pneumonic plague and apply it to efficacy determination of 5 approved antibiotics (gentamicin, ciprofloxacin, levofloxacin, ceftriaxone, and doxycycline). Most of the requisite pharmacokinetic (PK) and toxicology studies have been completed. Two separate studies of gentamicin at different doses (the second study used a humanized dose) have been conducted, with the next antibiotic, ciprofloxacin, about to begin. Discussions with NIH and USAMRIID are ongoing concerning the added value of studying

streptomycin in this model. Streptomycin is approved and widely used to treat plague, but has never undergone formal testing.
CDER worked with the CDC to finalize establishment of the protocols and infrastructure for the human plague studies in Africa. Enrollment began August 30, 2004. Concomitantly, a rapid plague diagnostic test kit will be evaluated, this is a collaborative effort with CDRH.
D. *Review existing safety data for ribavirin for viral hemorrhagic fevers*; In FY 2004, CDER completed a review of the adverse events reported on the use of ribavirin as an emergency IND and completed a review of adverse event data from Canada on SARS patients given IV or oral ribavirin.
E. *Intra-Agency Working Group to facilitate Radiological/Nuclear medical countermeasure development*:
In FY 2004, CDER organized a Working Group comprised of members from FDA, NIH, industry, and academia to design and implement a development program to gain approval for existing, licensed biological cytokines for an acute radiation syndrome (ARS) treatment indication using the Animal Efficacy Rule. The WG has designed a development program that includes review of existing animal efficacy data as a "first" animal species and the conduct of a pivotal nonhuman primate efficacy trial as the second species. A draft protocol is presently circulating for comments. A review of canine data for a candidate drug has been completed and is planned for submission to the review division. In addition, CDER's activities included:

- Representing the Agency in an interagency working group chaired by NIH/NIAID and charged with identifying promising radiological/nuclear countermeasures that were early in development and prioritizing them for purposes of funding. This activity is ongoing.
- Holding preIND meetings with a total of 8 sponsors of potential radiological/nuclear countermeasures in very early stages of development.
- Organizing and chairing an inter-Center Nuclear/Radiological Therapeutic Countermeasures Working Group where product development issues could be shared. Meetings were frequently held jointly with the inter-Center Animal Efficacy Rule Working Group, to discuss specific animal models of human disease to facilitate product development.

Measurements of performance for the FY 2003 targets for the Counter Terrorism performance goal were:
Develop guidances for Industry on developing antiviral drugs:

- CDER completed the Draft Guidance for Industry: "Vaccinia Virus — Developing Drugs to Mitigate Complications from Smallpox Vaccination" and began the clearance process. This draft guidance was published March 2004.
- CDER continued work on the Draft Guidance for Industry: "Developing Drugs to Treat or Prevent Smallpox (Variola) Infection – Preparing an IND."

Identify and begin to address labeling gaps in the therapeutic armamentarium:
CDER addressed such gaps by :

- Approving new drug applications for medical countermeasures for use against terrorist agents:
  - Radiogardase (insoluble Prussian blue) capsules for treatment of exposure to radiation contamination from cesium-137 or thallium.
  - Pyridostigmine tablets for exposure to Soman nerve gas.
  - Lower doses of the AtroPen Autoinjector (atropine) for use in pediatric patients.
  - Doxycycline products added information on use for post-exposure prophylaxis of inhalational anthrax.
- Evaluating available data to permit Federal Register Notices of finding of safety and efficacy and announcing the availability of Guidances to Industry to encourage submission of new drug applications for Prussian Blue and Calcium and Zince-DTPA.

- Collaborating with other federal agencies on human and animal studies of plague.
  - CDER continued to support the CDC's human plague trials in Uganda and Madagascar for the evaluation of the efficacy of gentamicin for the treatment of plague and of plague diagnostic kits.
  - CDER, NIAID, and USAMRIID continued efforts to evaluate the efficacy of several antibiotics in pneumonic plague in non-human primates under an Inter-Agency Agreement with NIAID/NIH and USAMRIID:
    - The natural history study of pneumonic plague in an African green monkey model was completed. Data from this study were used to determine the time of drug intervention in the study of gentamicin efficacy for pneumonic plague in African green monkeys.
    - Pharmacokinetic and toxicology studies of gentamicin in African green monkeys were completed. Data from these studies permitted investigators to choose an appropriate gentamicin dose for the study of gentamicin efficacy for pneumonic plague in African green monkeys.
- Reviewing data and addressing labeling revisions for antimicrobials used for post-exposure prophylaxis of inhalational anthrax.
- Continuing support of contracts through the FDA Office of Women's Health to collect pharmacokinetic and safety information in special populations (i.e., pregnant women, lactating women, elderly) on antibiotics that could be used as countermeasures.
- Continuing support of an ongoing contract with the American Academy of Pediatrics that generates and disseminates information for pediatric use of countermeasures.
- Issuing contracts for databases looking at long-term antibiotic use focusing on the therapies in the Strategic National Stockpile.
- Engaging in activities to facilitate availability of countermeasures in an emergency by
  - Participating in inter-agency subgroups and working groups of the Weapons of Mass Destruction Medical Countermeasures Subcommittee, which reports directly to White House offices. These groups provide and discuss information that may lead to development of requirements documents for medical countermeasures to be procured under BioShield or other discretionary funds for placement in the Strategic National Stockpile.
  - Developing requirements documents and acquisition papers for DHHS for consideration of funding and development of promising medical countermeasures.
  - Participating in the DHHS Anthrax Risk Management Working Group to address development of anthrax interventions for potential procurement under Project BioShield.
  - Collaborating with the CDC to form a Post-Event Surveillance Working Group (PESWG) to develop processes and methods to collect and review data on medical outcomes and adverse events following the use of medical countermeasures during a terrorist event.
- Providing information to the public on the use of medical countermeasures, available at http://www.fda.gov/cder/drugprepare/default.htm:
  - "How to Prepare Emergency Dosages of Doxycycline at Home for Infants and Children."
  - Updated "Frequently Asked Questions on Potassium Iodide (KI)."

Expedite the review of protocols for investigational new radioprotectant drugs;

- CDER formed an Intercenter Nuclear/Radiologic Countermeasures Working Group to facilitate development of countermeasures.

Facilitate human clinical trials.

- CDER continued to support the CDC's human plague trials in Uganda and Madagascar by establishing a Data Monitoring Committee for the oversight of the trials, continuing collaboration with the CDC on protocol development, and providing funding through an Inter-Agency Agreement. Enrollment in studies to determine the efficacy of gentamicin is expected to begin Fall 2004.
- CDER and CDRH collaborated with the CDC on developing the protocol for the efficacy evaluation of diagnostic kits for plague, to be used in the CDC's human plague studies. CDER provided funding to support these evaluations.

Additional counterterrorism activities performed by CDER included:

- CDER provided some of the funding, through an Inter-Agency Agreement with NIAID, for a grant for the development of an oral product for smallpox treatment.
- CDER provided some of the funding, through an Inter-Agency Agreement with NIAID, for a contract to evaluate animal models used to study Viral Hemorrhagic Fevers.
- FDA published the "Draft Guidance for Federal Agencies and State and Local Governments: Potassium Iodide Tablets Shelf Life Extension." The final guidance was posted in March 2004.
- FDA, CDC, and the Department of Homeland Security continued to address issues on procurement and use of products in the Strategic National Stockpile.

- **Data Sources and Issues:** CDC/DHS Strategic National Stockpile (SNS) program, database from Department of Energy/REAC/TS (Oakridge), published guidances for Industry, published Federal Register Notices, CDER internet site **http://www.fda.gov/cder/drugprepare/default.htm**.

7. Improve the Safe Use of Drugs in Patients and Consumers. (12007)

- **Context of Goal:** This performance goal supports the Agency patient and consumer safety outcome goal to reduce adverse drug events related to medication dispensing and administrative errors (e.g., through initiatives such as product bar-coding). The Agency's Long Term Outcome Goal is to reduce these adverse events by 11% in 50% of US hospitals by FY 2008. The performance targets for FY 2004, 2005, and 2006 for this performance goal are interim steps toward accomplishing the long-term Agency goal. The targeted increase for the Office of Drug Safety for FY 2006 will directly support performance toward the 06 target.
CDER uses a number of post-marketing risk assessment approaches to ensure the continued safe use of drug products and therapeutic biologics. Yet, approximately 1.3 million patients each year are injured from medical therapy with up to two thirds of these events due to medical management errors. Costs from these medical errors range from $37 to $50 billion annually. The Institute of Medicine estimates that as many as 98,000 Americans die annually as a result of preventable medical errors and the proliferation of new products may increase this number. In fiscal year 2002, FDA received 321,709 reports of suspected drug-related adverse experiences. Forty percent of these represented serious and unexpected experiences. Through the FDA Medical Products Reporting Program, MedWatch, healthcare professionals and consumers are encouraged to report serious adverse events and product problems to FDA, the manufacturer, or both. Reports of deviations from Good Manufacturing Practices that occur during the manufacturing, shipping, or storage of prescription or OTC drug products are sent to the FDA's Drug Quality Reporting System (DQRS). FDA receives medication error reports on marketed human drugs and maintains a central database within the DQRS and AERS for all reports involving a medication error or potential medication error. CDER puts substantial effort into reviewing adverse event and medication error reports to identify serious or potentially serious outcomes that might be avoided by modifying the labeling or packaging or other means. CDER's

Adverse Event Reporting System (AERS) is an important risk assessment database essential for identifying potential safety signals and monitoring adverse experience reports. When a potential safety signal is detected, safety evaluators consult with product reviewers, including medical officers, and epidemiologists, to review available data, put the signal in context, and consider risk management options. FDA may decide to disseminate risk information, such as through "Dear Health Care Professional" letters, and may initiate regulatory action.
The targeted increase for the Office of Drug Safety for FY 2006 will directly support performance toward the 06 target. CDER expects to use these funds to increase the number of staff with expertise in critical areas such as risk management, risk communication, and epidemiology. Further, CDER plans to use these funds to increase access to a wide range of clinical, pharmacy and administrative databases. To adequately and appropriately assess the safety of drugs as they are used, FDA needs access to externally managed databases. Due to the highly fragmented healthcare system in the United States, there is no single healthcare database that the Agency can rely upon to widely monitor drug adverse events. As each drug has its own indication(s) that may result in its differential use in different populations, it is essential that the FDA have access to a wide range of databases to adequately assess drug safety.

- **Performance:** Several areas were targeted in FY04. The first is periodic safety reports submitted electronically. In FY03 9,710 Periodic ADE reports were submitted electronically. In FY04 24,189 Periodic ADE reports were submitted electronically, an increase of 149% relative to FY03. (The extent to which the Center tracks electronic submission of PSURs is unclear; precise information about the number of electronically submitted PSURs is currently unavailable).
Continued work progresses on guidance for industry on risk management. Concept papers on good risk assessment, risk management, and pharmacovigilance practices have been published and discussed at April 2003 public meetings. The public comment period for these concept papers closed in May 2003. Working groups assimilated comments from the public meetings and from the docket and prepared the draft guidance. All three drafts published in May 2004, publication of the final guidance is taking longer than expected due to clearance delays.
Enhancing the Adverse Event Reporting System is a top priority. Organization and Design Planning (ODP) sessions were held to review and summarize the business needs for adverse event reporting. Based on the ODP sessions and current AERS requirements, the program worked to draft and publish a Request for Information (RFI). The RFI outlines the programmatic and high level computer system requirements for the major AERS upgrade; one of which is enhanced medication error capture and analysis. The RFI and high-level requirements documents have been submitted to the FDA contract office. Publication is anticipated by January 10, 2005. Our plan shows that the vendors have until February 4, 2005 to respond to the RFI. We will review the responses and by February 25, 2005, decide our direction for developing the "new" AERS.
FDA is encouraging industry to submit ADE reports electronically. Two meetings (October and April) focusing on electronic reporting were held with approximately 25 participating manufacturers to further promote and advance the conversion from paper to electronic submission of AE reports. Program representatives have also lectured at external meetings on the benefits of and need for electronic safety reporting. In FY03, 35,759 ADE reports were submitted electronically. In FY04, 69,111 ADE reports were submitted electronically, an increase of more than 90% relative to FY03.
- **Data Sources and Issues:** CDER uses information from its adverse experience reporting system and its data quality reporting system for sources.

8. Give consumers and health professionals more easily understandable, accessible, timely, and accurate prescription and OTC drug information. (12027)

- **Context of Goal:** This goal was dropped for FY 2005 and 2006. This performance goal directly supports the Agency Strategic Goal for Better Informed Consumers. There is increasing

recognition that marketed drugs can lead to harm as well as benefit. Drug-related injuries and deaths can be reduced by creating a more educated public through expanded outreach activities and collaborative efforts with academia, professional societies, and health organizations. The specific subjects of FY 2004 education campaigns will be determined as issues and events reveal themselves closer to FY 2004. There are several electronic initiatives being undertaken by FDA over the next several years that will significantly improve our ability to provide medical to consumers and health professionals. These systems include an Electronic Labeling Information Processing System (ELIPS), Medication Information Databases for new drug applications (MedID), and an FDA/NLM public Ingredient Dictionary.
Performance: In FY 2004, public education campaigns for Acetaminophen/Liver Warning and NSAIDS GI Bleeding Warning were both completed. CDER also launched the following 3 education campaigns during that same time period:

- *Take Precautions When Using Sedatives*: The goals for the public education campaign include generating public awareness about the potential risks of using certain medicines while driving or operating heavy machinery; and helping consumers understand certain labels on their medicines.
- *Misuse and Abuse of Rx Medicines by Older Adults*: CDER and the Substance Abuse and Mental Health Services Administration developed and executed an educational campaign to inform older adults and other consumers of the consequences of misusing and abusing prescription medications, and available treatment options.
- *Read the Label: Over-the-Counter Pain Relievers*: Due to an increased use of over-the-counter medicines, consumers run the risk of taking too many products that contain the same active ingredients. Since some active ingredients can be in a number of products, this campaign stresses the need for consumers to read the label and ask the advice of a healthcare professional when unsure about the use of any medicine, especially pain relievers.

The activities involved in this target are a part of FDA's role in a multi-Agency effort known as the "DailyMed initiative". Conceptually, DailyMed will be an electronic repository for up-to-date medication information and will improve patient safety through improved access to medication information. DailyMed is a collaborative project involving the FDA, NLM and VA. The information flow required for the success of DailyMed involves medication manufacturers and distributors collaborating with the FDA to maintain detailed information about their products in a form called Structured Product Labeling (SPL). SPL is structured information about a medication contained in an XML file. Up-to-date SPL for each product will be transmitted to the NLM on a daily basis. NLM will provide the SPL along with other medication information in an electronic repository called the DailyMed. Healthcare information suppliers will be able to use the information from this repository in their computer systems, allowing providers, patients and the public access to reliable, up-to-date information on the medications they use. The objective of this project is to create the environment that will allow the FDA to generate up-to-date, reliable SPL for all drug products marketed in the United States. Future phases can potentially concentrate on other FDA regulated products including vaccines, animal drug products, dietary supplements, and medical devices. In FY 2004, FDA created the "SPL Program", an information technology initiative to create a technological environment that will enable FDA to reliably generate up-to-date SPL for all drug products marketed in the U.S. This program encompasses:

- An Electronic Labeling Information Processing System (ELIPS), a repository and application for the receiving, validating, and transmitting SPL with tools to support labeling review; and

  - The Substance Registration System (SRS) which will be used to generate and maintain Unique Ingredient Identifiers (UNII) for product ingredients.
- **Data Sources and Issues:** Approval Letters and the Labeling Text or Final Printed Label (FPL) for new drugs; Consumer Drug Information Sheets for New Molecular Entities (NMEs); the program indicated that the following information on the processing procedures for this data is reliable and of sound quality. The information demonstrates that the appropriate quality control practices are in place.

9. Improve the capability and efficiency of pharmaceutical development and manufacturing. (12016)

- **Context of Goal:** For FY 2003, this goal focuses on two important related activities that will improve the capability and efficiency of pharmaceutical development and manufacturing: the Product Quality Research Institute (PQRI) and the Process Analytical Technology (PAT): PQRI is an effort between the FDA's Center for Drug Evaluation and Research (CDER), the pharmaceutical Industry and academia. The purpose of PQRI is to conduct research on identified projects to establish better testing methods, standards, and controls for assessing product quality and manufacturing and management processes to look at risk/benefit of changing certain policies and requirements. This knowledge aids the Agency in developing consistent and reasonable requirements for product quality information in regulatory filings as a part of our risk management activities. Process Analytical Technologies (PATs) are systems for continuous analysis and control of manufacturing processes based on real-time measurements, or rapid measurements during processing. Measurements are made of quality and performance attributes of raw and in-process materials and processes to assure acceptable end product quality at the completion of the process. PATs involve processes of analytical chemistry, information management tools, feedback process control strategies, and product and process design and optimization strategies.
  The focus of this performance goal for FY 2004 and 2005 is on the Agency's current good manufacturing practices (cGMP) initiative. On August 21, 2002, FDA announced a major new initiative on regarding pharmaceutical manufacturing, "Pharmaceutical GMPs for the 21st Century: A Risk-Based Approach." The program has several ambitious objectives. One is to ensure that regulatory review and inspection policies are based on state-of-the-art pharmaceutical science and to encourage the adoption of new technological advances by the pharmaceutical industry. FDA will determine the best pathway to better integrate advances in quality management techniques, including quality systems approaches, into the Agency's regulatory standards and systems for the review and inspection processes. Additionally, risk-based approaches, that focus both industry and agency attention on critical areas, will be implemented. Finally, enhancements to the consistency and coordination of Agency drug quality regulatory programs will be made. Significant advances in the pharmaceutical sciences and in manufacturing technologies have occurred over the last two decades. While this knowledge has been incorporated in an ongoing manner into FDA's approach to product quality regulation, the fundamental nature of the changes dictates a thorough evaluation of the science base to ensure that product quality regulation not only incorporates up-to-date science, but also encourages further advances in technology. Although Americans have the highest quality of drugs in the world, the processes used to produce some of them are outdated. An increasing trend of manufacturing-related problems, such as recalls, disruptions of manufacturing operations, and the loss of availability of essential drugs has affirmed CDER's role as a catalyst for this initiative. Implementation of modern technology into the manufacturing process will produce the same or higher quality standards while reducing the workload for Industry and for FDA and ensuring the highest quality drug products for American consumers. More than 40 years ago, Congress

required that all drugs be produced in accordance with current Good Manufacturing Practice (cGMP). This requirement was intended to address significant concerns about substandard drug manufacturing practices by applying quality assurance and control principles to drug manufacturing.

- **Performance:** Key activities toward accomplishing the performance goal for improving the capability and efficiency of pharmaceutical development and manufacturing are associated with the current Good Manufacturing Practices (cGMP) Initiative. On February 20, 2003, the Food and Drug Administration (FDA) released its progress report on a major initiative concerning the regulation of drug product quality. The two-year program, launched on August 21, 2002, applies to human drugs and biologics and veterinary drugs and has several objectives. One is to ensure that regulatory review and inspection policies are based on state-of-the-art pharmaceutical science and to encourage the adoption of new technological advances by the pharmaceutical industry. FDA is working toward integrating advances in quality management techniques, including quality systems approaches, into the Agency's regulatory standards and systems for the review and inspection processes. Additionally, implementation of risk-based approaches, that focus both industry and agency attention on critical areas are underway. Lastly, the Agency is committed to enhancing the consistency and coordination of its drug quality regulatory programs.
  FDA received valuable input during the April 2003 inaugural scientific workshop that was held with stakeholders in Washington, DC. Based on the input of this workshop, as well as the progression and evolvement of the initiative over the past year, new working groups have been formed and some of the original working groups have been realigned. These groups are shaping and implementing the initiative as overseen by the FDA cGMP Steering Committee.
  Actual performance toward the FY 2004 targets is provided below:
  - *Develop a Quality Systems framework for ensuring Pharmaceutical quality*: **The quality system framework document was officially adopted by the FDA Management Council on March 18, 2004;**
  - *Publish draft guidance for cGMP quality system principles for comment*: **FDA developed draft guidance for three separate cGMP issues – all of which support quality system principles;**
  - *Begin designation of specialized staff to form a Pharmaceutical Inspectorate (PI)*: **FDA determined the staff who would form the PI and began training those staff;**
  - *Pilot a risk-based site selection model for inspection*: **CDER developed the risk-based model for site selection in FY 2004 and plans to pilot it in FY 2005**

  Actual performance toward the FY 2003 targets is provided below:
  - *PAT - Present during 1 trade meeting and 2 conferences*: CDER is utilizing the Process Analytical Technology (PAT) Initiative to provide a science based regulatory framework. Industry has been hesitant to implement new technologies because of unknown factors that may arise under the regulatory environment in which it operates. CDER has formed a PAT subcommittee to the Advisory Committee for Pharmaceutical Science. A cadre of PAT specialists from the Office of Regulatory Affairs (ORA) and CDER has been established and trained. In FY 2003, FDA presented during 1 trading meeting and discussed initiative during two conferences. PQRI – Submitted comments regarding the blend uniformity document prepared by PQRI and participated in two PQRI Work Groups.
  - *Meet with 2 potential applicants:* Met with 2 potential applicants.
  - *Prepare a draft guidance.* Draft guidance was issued in August 2003.
  - *PQRI – Move toward 25% of completion for each of the three projects. (Initiate draft blend uniformity guidance in response to PQRI comments and participate in 2 PQRI work groups to develop recommendations)*: FDA conducted three laboratory research programs and performed the corresponding research in connection with the mission of PQRI: Oral Biopharmaceutics, Drug Product, and Drug Substance

- *Finalize eCTD guidance.* e-CTD: The FDA has worked with their partners in the International Conference on Harmonization (ICH) on the Common Technical Document (CTD). The CTD provides the harmonized format and content for new product applications in the US, EU, and Japan. While the CTD is based on a paper paradigm, the FDA has also worked with their partners in ICH to develop the Electronic Common Technical Document (eCTD) to provide the electronic transmission of CTD applications from applicant to regulator. The eCTD specification is ready for implementation as it has reached Step 4 in the ICH process. For the FDA, the eCTD format will replace many of the current electronic submission formats and allow the electronic transmission of applications that currently do not have an electronic solution. Leveraging a common technology across submission types will enhance the review process by allowing the FDA to build a common infrastructure and user interfaces for multiple submission types.

- **Data Sources and Issues:** Guidance documents. Relevant materials may be found on our website.

CBER's Performance Goals

Performance Goals	Targets	Actual Performance	Reference
1. Complete review and action on 90% of standard original PDUFA NDA/BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt. (13001)	Standard Applications within 10 months: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 70% FY 00: 50% FY 99: 30% Priority Applications within 6 months: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90%	Standard Applications within 10 months: FY 06: FY 05: FY 04: 9/05 FY 03: 100% of 4 FY 02: 100% of 6 FY 01: 100% of 5 FY 00: 100% of 10 FY 99: 100% of 5 Priority Applications within 6 months: FY 06: FY 05: FY 04: 5/05 FY 03: 100% of 4 FY 02: 100% of 3 FY 01: 100% of 3 FY 00: 100% of 4 FY 99: 100% of 1	**4**
2. Complete review and action on 90% of standard PDUFA efficacy supplements within 10 months; and review and act on 90% of priority PDUFA efficacy supplements within 6 months of receipt. (13002)	Standard Applications within 10 months: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 70% FY 00: 50% FY 99: 30% Priority Applications within 6 months: FY 06: 90%	Standard Applications within 10 months: FY 06: FY 05: FY 04: 9/05 FY 03: 100% of 13 FY 02: 83% of 7 FY 01: 100% of 14 FY 00: 100% of 11 FY 99: 100% of 8 Priority Applications within 6 months: FY 06:	**4**

Performance Goals	Targets	Actual Performance	Reference
	FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90%	FY 05: FY 04: 5/05 FY 03: 100% of 2 FY 02: 100% of 4 FY 01: 100% of 2 FY 00: 100% of 2 FY 99: 100% of 2	
3. Complete review and action on 90% of PDUFA manufacturing supplements within 6 months of receipt, and review and act on 90% of PDUFA manufacturing supplements requiring prior approval within 4 months of receipt. (13003)	Within 6 months: FY 06: NA FY 05: NA FY 04: NA FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90% Within 4 months: FY 06: NA FY 05: NA FY 04: NA FY 03: 90% FY 02: 90% FY 01: 70% FY 00: 50% FY 99: 30%	Within 6 months: FY 06: FY 05: FY 04: FY 03: 99% of 598 FY 02: 98% of 486 FY 01: 94% of 410 FY 00: 97% of 349 FY 99: 96% of 218 Within 4 months: FY 06: FY 05: FY 04: FY 03: 99% of 303 FY 02: 99% of 222 FY 01: 95% of 186 FY 00: 92% of 241 FY 99: 93% of 259	**4**
4. Complete review and action on 90% of Class 1 resubmitted original PDUFA applications within 2 months; and review and act on 90% of Class 2 resubmitted original PDUFA applications within 6 months of receipt. (13004)	Class 1 resubmissions within 2 months: FY 06: NA FY 05: NA FY 04: NA FY 03: 90% FY 02: 90% FY 01: 70% FY 00: 50% FY 99: 50% Class 2 resubmissions within 6 months: FY 06: NA FY 05: NA FY 04: NA FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90%	Class 1 resubmissions within 2 months: FY 06: FY 05: FY 04: FY 03: 100% of 1 FY 02: 100% of 2 FY 01: 100% of 6 FY 00: 100% of 1 FY 99: 100% of 2 Class 2 resubmissions within 6 months: FY 06: FY 05: FY 04: FY 03: 100% of 11 FY 02: 100% of 13 FY 01: 100% of 10 FY 00: 100% of 8 FY 99: 100% of 12	**4**

Performance Goals	Targets	Actual Performance	Reference
5. Complete review and action on 90% of complete blood bank and source plasma BLA submissions, and 90% of BLA supplements within 12 months after submission date. (13005)	Complete Submissions: FY 06: 90% FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 85% FY 99: 60% Supplements: FY 06: 90% FY 05: 90% FY 04 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 90%	Complete Submissions: FY 06: FY 05: FY 04: 11/05 FY 03: 100% of 5 FY 02: 100% of 5 FY 01: 100% of 7 FY 00: 100% of 12 FY 99: 100% of 10 Supplements: FY 06: FY 05: FY 04: 11/05 FY 03: 100% of 530 FY 02: 99% of 469 FY 01: 99% of 417 FY 00: 100% of 559 FY 99: 99% of 780	**4**

Note about Baseline Data: In several years of the program, performance (Baseline Data) exceeds the projected performance goals. The PDUFA III goals were set forth in letters from the Secretary of Health and Human Services to Congressional Committee Chairmen. FDA developed these goals in consultation with the pharmaceutical and biological prescription drug industries. "NA" means the goal is not applicable in that fiscal year.

The PDUFA application-review performance goals measure time to first action, not final action. The term "complete review and action on" is understood to mean the issuance of a complete action letter after the complete review of a filed complete application. The action letter, if it is not an approval, will set forth in detail the specific deficiencies and, where appropriate, the actions necessary to place the application in condition for approval. The performance goals and this definition were developed in consultation with the industry and Congress and are contained in the Secretary's commitment letter to the Chairman of the Energy and Commerce Committee of the House of Representatives, and the Chairman of the Labor and Human Resources Committee of the Senate. This definition enables to the Agency to approve only safe and effective products without having to issue not-approvable decisions on applications that are in some way not in condition for approval.

1. **Complete review and action on 90% of standard original PDUFA NDA and BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt.** (13001)

- **Context of Goal:** The Prescription Drug User Fee Act authorizes the FDA to collect fees from the prescription drug and biologic drug industries to expedite the review of human drugs and biologics so they can reach the market more quickly. Standard original BLAs are license applications for biological products, not intended as

therapies for serious or life-threatening diseases. A priority BLA is a license application for a therapy to treat serious or life-threatening diseases.

- **Performance:** CBER has met or exceeded these performance goals since 1994. These applications are tracked by year of receipt, which is the cohort year. The cohort-year review performance is not available until the prescribed review time, i.e., 10 months after receipt, is expired. In FY 2003, CBER exceeded its goal by completing review and action on 100% of 4 Standard applications within 10 months, and reviewing and acting on 100% of 4 Priority applications within 6 months. The FY 04 Performance data for standard applications will be available September 2005; the FY 04 Performance data for priority applications will be available May 2005.
- **Data Sources:** CBER's Regulatory Management System

2. **Complete review and action on 90% of standard PDUFA efficacy supplements within 10 months; and review and act on 90% of priority PDUFA efficacy supplements within 6 months of receipt.** (13002)

- **Context of Goal:** The PDUFA authorizes the FDA to collect fees from the prescription drug and biologic drug industries to expedite the review of human drugs and biologics so they can reach the market more quickly. A supplement is a change to an approved licensed product. An efficacy supplement provides information to FDA to modify the "approved effectiveness" in the labeling of a product such as a new indication, and normally includes clinical data.
- **Performance:** CBER has met or exceeded most of these performance goals since 1994. In FY 2002, one standard efficacy supplement was overdue. These applications are tracked by year of receipt, which is the cohort year. The cohort-year review performance is not available until the prescribed review time, i.e., 10 months after receipt, is expired. In FY 2003, CBER exceeded its goal by completing review and action on 100% of 13 Standard PDUFA efficacy supplements within 10 months, and reviewing and acting on 100% of 2 Priority applications within 6 months. The FY 04 Performance data for standard efficacy supplements will be available September 2005, and the FY 04 Performance data for priority efficacy supplements will be available May 2005.
- **Data Sources:** CBER's Regulatory Management System

3. **Complete review and action on 90% of PDUFA manufacturing supplements within 6 months of receipt, and review and act on 90% of PDUFA manufacturing supplements requiring prior approval within 4 months of receipt.** (13003)

- **Context of Goal:** The PDUFA authorizes the FDA to collect fees from the prescription drug and biologic drug industries to expedite the review of human drugs and biologics so they can reach the market more quickly. A supplement is a change to an approved licensed product. A manufacturing supplement provides FDA information relating to a proposed expiration date change, formulation revision, manufacturing process change, packaging change, or controls change. As directed by

OMB, this goal was dropped in FY 2004 and 2005 in order to streamline the Performance Plan.

- **Performance:** CBER has met or exceeded these performance goals since 1994. In FY 2003, CBER exceeded its goal by reviewing and acting on 99% of 598 PDUFA manufacturing supplements within 6 months of receipt, and reviewing and acting on 99% of 303 PDUFA manufacturing supplements requiring prior approval within 4 months of receipt.
- **Data Sources:** CBER's Regulatory Management System

4. **Complete review and action on 90% of Class 1 resubmitted original PDUFA applications within 2 months; and review and act on 90% of Class 2 resubmitted original PDUFA applications within 6 months of receipt.** (13004)

- **Context of Goal:** PDUFA authorizes the FDA to collect fees from the prescription drug and biologic drug industries to expedite the review of human drugs and biologics so they can reach the market more quickly. A resubmitted original application is a complete response to an action letter addressing all identified application deficiencies. Class 1 resubmitted applications are applications resubmitted after a complete response letter that include one or more of the following items: final printed labeling; draft labeling; safety updates; stability updates; commitments to perform Phase IV (postmarketing) studies; assay validation data; final release testing; a minor re-analysis of data; other minor clarifying information; or other specific information requested by the Agency. Class 2 resubmissions include any other items. As directed by OMB, this goal was dropped in FY 2004 and 2005 in order to streamline the Performance Plan.
- **Performance:** These applications are tracked by year of receipt, which is the cohort year. In FY 2003, CBER reviewed and acted on 100% of 1 Class 1 resubmissions within 2 months, and reviewed and acted on 100% of 11 Class 2 resubmissions within 6 months.
- **Data Sources:** CBER's Regulatory Management System

5. **Complete review and action on 90% of complete blood bank and source plasma BLA submissions, and 90% of BLA supplements within 12 months after submission date.** (13005)

- **Context of Goal:** Blood bank and source plasma applications are not covered by PDUFA. The non-PDUFA review resources in CBER are not protected from cuts as the PDUFA resources are by the PDUFA legislation. CBER's non-PDUFA review resources have been cut in recent years to meet unfunded pay raises, increased current service costs, and other budget actions.
- **Performance:** These applications are tracked by year of receipt, which is the cohort year. In FY 2003, CBER exceeded its goal by reviewing and acting on 100% of 5 complete submissions within 12 months, and reviewing and acting on 100% of 530 supplements within 12 months after submission date. The FY 04 Performance data for complete submissions and supplements will be available November 2005.
- **Data Sources:** CBER's Regulatory Management System

CVM's PERFORMANCE GOALS

Performance Goals	Targets	Actual Performance	Reference
1. Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA performance goals. This goal is dependent upon a sustained level of base and user fee resources. (14020)	Complete review and action on 90% of original NADAs & reactivations of such applications received in FY 2006. FY 06: within 230 days. FY 05: within 270 days. FY 04: within 295 days.	 FY 06: FY 05: FY 04: 10/05	**4**
2. Complete review and action on 90% of all new animal drug applications and supplements received in FY 03 <u>within 275 days</u>; and complete review and action on 90% of all investigational new animal drug submissions received in FY 03 <u>within 325 days</u>. (14017)	FY 06: NA FY 05: NA FY 04: NA FY 03: Complete review & action on 90% of all new animal drug applications and supplements received in FY 03 <u>within 275 days</u>; and complete review & action on 90% of all investigational new animal drug submissions received in FY 03 <u>within 325 days</u>. FY 02: Complete review and action on 50% of NADAs/ANADAs <u>within 180 days</u> of receipt. FY 01: 75% FY 00: 73%	FY 06: FY 05: FY 04: NA FY 03: 99.3% - NADAs & supplements (2,078 of 2,092) 98.5% - INADs (2,144 of 2,176) FY 02: 67% 1932 of 2895 % completed on-time FY 01: 47% 961 of 2044 % completed on-time FY 00: 84% 1539 of 1841 % completed on-time	**4**

3. Continue development, expansion and integration of the Staff College. (14018)	FY 06: NA FY 05: NA FY 04: Continue integration of LMS system w/Center and Agency infrastructure; continue to expand content of in-house programs. FY 03: Expand content of in-house programs. Research and develop components and integration of competency-based learning management system (LMS) with Center and Agency IT infrastructure. FY 02: Plan and design the option selected in Phase I. FY 01: Initiate the development of a Staff College (Phase I: further needs assessment, feasibility studies, and analysis of alternatives).	FY 06: FY 05: FY 04: Goal accomplished through activities outlined in Performance text. FY 03: Goal accomplished through activities outlined in Performance text. FY 02: Completed plan and design of Phase I. FY 01: Initiated the development of a Staff College (Phase I).	**4**
4. Enhance the transparency of the NARMS program to stakeholders, the public, and other interested parties by increased reporting and communicating of NARMS results and program information. (14005)	FY 06: NA FY 05: NA FY 04: Post NARMS standard laboratory methods on the Internet to provide easy access by other laboratories conducting antimicrobial resistance research & background information for persons reviewing the NARMS results. Present NARMS susceptibility testing results at Scientific meetings via poster or oral presentations. Publish Annual Reports of NARMS animal, human and retail meat data. Post NARMS publication references on the NARMS website. FY 03: Present NARMS susceptibility testing results at Scientific meetings via poster or oral presentations. Publish Annual Reports of NARMS animal, human and retail meat data. Post NARMS publication references on the website. CY 02: Total: 12,000 Salmonella isolates CY 01: Total: 12,000 Salmonella isolates	FY 06: FY 05: FY 04: Goal accomplished through various activities discussed under Performance text. FY 03: Goal accomplished through various activities discussed under Performance text. CY 02: Total 12,000 Salmonella isolates CY 01: Total 8,899 Salmonella isolates – 1,671	**1**

	CY 00: Total: 6,000 Salmonella isolates - 2,000 (human), 4,000 (veterinary) CY 99: Total: 6,000 Salmonella isolates - 2,000 (human), 4,000 (veterinary)	(human); 6,795 (veterinary); 433 (retail meat) CY 00: Total: 11,000 Salmonella isolates – 2,000 (human), 9,000 (veterinary) CY 99: Total: 10,216 Salmonella isolates – 1,706 (human), 8,510 (veterinary)	

1. **Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA performance goals including: complete review and action on 90% of original NADA's and reactivations of NADA's received during FY 2006 within 230 days. (14020)**

- **Context of Goal:** The Animal Drugs and Feeds Program initiated a user fee program upon passage of the FY 04 appropriation. The user fee program reflects the implementation of a five (5) year plan to improve the performance for animal drug review. The user fee program for animal drug review requires new animal drug applicants, sponsors, and establishments to pay a fee to expedite the review of their respective applications. The benefits provided by the user fee program include: shorter review times; a more predictable and stable review process; and, an overall reduction in drug development time.
  The FY 05 and FY 06 targets for Performance Goal 1 reflects performance measures consistent with the goals industry has agreed upon for user fees. The target represents one of the user fee goals and reflects the Center's move toward completion of 90% of specified new animal drug submission reviews within statutorily mandated time frames over a five-year period. This goal is dependent upon a sustained level of base and user fee resources.
  As mandated by the Federal Food, Drug and Cosmetic Act, a new animal drug may not be sold in interstate commerce unless it is the subject of an approved New Animal Drug Application (NADA). An approved NADA means the product is safe and effective for its intended use and that the methods, facilities and controls used for the manufacturing, processing and packaging of the drug are adequate to preserve its identity, strength, quality and purity.
  When a new animal drug application is submitted, CVM evaluates the information contained or referenced in the application. A determination is made whether the application is approved or not approved. The sponsor receives a letter informing them either of the approval or describing the deficiencies in the application. The "days to review" refers to the time it takes to review and take an action on the original submission, or if needed, on subsequent recycles. This is different from total approval time which is the time it takes from the original receipt of the application until it is finally approved, which may take more than one review cycle. This includes the time we spend reviewing the application in each of the review cycles plus the time taken by the sponsor to respond to the issues raised in the not approved letter(s) and resubmit the application for review.
  FDA is encouraging sponsors to use the phased review process for new animal drug applications. An Investigational New Animal Drug (INAD) file or submission is established at the request of the sponsor to archive all sponsor submissions for a

phased drug review including: request for interstate shipment of an unapproved drug for study, protocols, technical sections, data sets, meeting requests, memos of conference and other information. Phased review has removed a common bottleneck caused by the fact that a sponsor had to wait until all technical sections were reviewed before FDA would render an opinion on the sufficiency of an application. As a result, the technical section in the application that required the longest review could stymie progress on other sections. Under phased review, sponsors can coordinate submission of each technical section as the work for that section is completed. In addition, the direct review program, when linked with phased review, has resulted in significantly improved and more interactive communication between sponsor and reviewer, enabling a more efficient and logical review process.

- **Performance:** "Baseline" performance for Goal #1 (as well as two INAD phased review user fee goals) reflects CVM's effort toward achieving statutory timeframes.

	Review Time Actual # of Days			
	FY 00	FY 01	FY 02	FY 03
Goal #1 - Original NADAs & reactivations of such applications	588	776	479	256
INAD phased review				
Investigational animal drug study submissions with substantial data	498	625	993	328
Investigational animal drug submissions consisting of protocols without data	179	199	166	112

Final performance numbers for FY 2004 will not be available until later in FY 2005. However, as of September 30, 2004, ADUFA performance reflects 100% achievement of this goal. Additional information is available in the FY 2004 ADUFA Performance Report.

- **Data Sources:** Submission Tracking and Reporting System (STARS).

2. **Complete review and action on 90% of all new animal drug applications and supplements received in FY 03 within 275 days and complete review and action on 90% of all investigational new animal drug submissions received in FY 03 within 325 days.** (14017)

- **Context of Goal:** (This interim goal is dropped in FY 04 and replaced by Goal 1 which reflects a proposed user fee goal.) In FY 03, this performance goal reflects a new measure that is more useful for both Center management and industry. Key industry stakeholders have told us that 'how long an application takes to get reviewed' is more meaningful to them than 'what percent is reviewed on time'.
When a new animal drug application is submitted, CVM evaluates the information contained or referenced in the application. A determination is made whether the

application is approved or not approved. The sponsor receives a letter informing them either of the approval or describing the deficiencies in the application.
The "days to review" refers to the time it takes to review and take an action on the original submission, or if needed, on subsequent recycles. This is different from total approval time which is the time it takes from the original receipt of the application until it is finally approved, which may take more than one review cycle. This includes the time we spend reviewing the application in each of the review cycles plus the time taken by the sponsor to respond to the issues raised in the not approved letter(s) and resubmit the application for review.

- **Performance:** The performance reporting for FY 00 through FY 02 pertains to the review and action on NADAs and ANADAs within 180 days of receipt. CVM exceeded the FY 00 target with a performance rate of 84%.
  CVM found it necessary to shift focus in its performance regarding animal drug application review in FY 2000. The Office of New Animal Drug Evaluation (ONADE) needed to reduce the backlog of overdue submissions. This required working on the oldest, already overdue submissions. Decreasing the backlog was necessary in order to move CVM back on track towards meeting statutory and stakeholder requirements for new animal drug application review. By taking the step of closing out the most overdue submissions, CVM's on time completion rate for NADAs and ANADAs was adversely affected in FY 01 with 47% of NADAs and ANADAs reviewed on time.
  The goal for FY 02 was revised to complete review and action on 50% of NADAs/ANADAs within 180 days of receipt. The goal was revised from 80% to 50% because the Center has changed priorities and redirected resources to clear the large backlog of animal drug applications. In FY 02, the Animal Drugs and Feeds Program achieved 67% performance for this goal.
  The goal was revised in FY 03 to reflect a shift toward user fee performance measures. Based on the completed cohort timeframe, performance for the targets was exceeded on this goal for FY 2003: 99.3% of the NADAs and supplements reviewed and acted on within 275 days of receipt; and, 98.5% of INADs reviewed and acted on within 325 days of receipt.
- **Data Sources:** Submission Tracking and Reporting System (STARS).

3. Continue development, expansion and integration of the Staff College. (14018)

- **Context of Goal:** Staff College programs have been developed as a means of continuously building the scientific and intellectual capability of FDA staff. The Staff College will increase and maintain a level of scientific expertise that is critical in order for CVM to address evolving animal science and veterinary medicine issues. The Staff College will outsource the planning and implementation of training programs tailored to the needs of in-house scientists. Performance for the goal has been met in FY 01, FY 02, FY03 and FY 04. The goal has transitioned from performance to maintenance due to stable performance; therefore, the goal has been dropped as of FY 05.
- **Performance:**

- FY 01: Initiated Phase I – conduct further needs assessment, feasibility studies, and analysis of alternatives:
  - Contract awarded to perform needs assessment and begin building the Staff College infrastructure necessary for a competency based learning management system to enhance the science-base.
  - Began the research and design of a training facility to support the infrastructure of the CVM Staff College. Awarded a facilities and equipment contract and construction of the training facility.
  - Recruited a FDA/CVM Search Team to conduct a nationwide search for a qualified Staff College Director who could continue building the Staff College infrastructure. Reviewed 130 candidates.
  - Conducted in-house development and implementation of seminars, professional meetings and courses that increased the science-based knowledge of the FDA's review staff which can help reduce review times and backlogs of pending applications.
- FY 02: The goal to plan and design Phase I of the Staff College was completed:
  - Developed and implemented a CVM Competency Model through the automated Knowledge Center (KC). The KC is a Learning Management System (LMS) that has and will continue to help reduce administrative costs associated with managing and tracking training and development for the Center. This allows Staff College personnel to devote more time towards development of substantive programs that are responsive to the needs of the Center. The KC also creates and automates an Individual Development Plan (IDP) process for every employee to ensure that both the organizational and individual employee training and developmental needs are addressed.
  - Built state-of-the-art training facilities to accommodate distance learning initiatives as well as other traditional learning venues.
  - Continuing development of several in-house scientific/reviewer training programs.
- FY 03 performance was achieved through development of several initiatives in the CVM Staff College Learning Management System (LMS) including:
  - Development of curriculum for animal drug reviewers and program evaluation requirements in order to measure course effectiveness;
  - Upgraded online Individual Development Plan (IDP) process;
  - Started work to attain provider status (accreditation) in order to offer continuing education credits; and,
  - Leveraged resources with the addition of CFSAN, CDER and OC to the Knowledge Center (KC).
- FY 04 performance has been met:
  - Developed learning options using computer technology in order to support, enhance, and complement classroom based training.
  - The Staff College changed to a "semester system" permitting advanced announcement and access to course registration in the Knowledge Center.
  - The CVM New Employee Orientation (NEO) underwent enhancements that included easier access to registration, information, and the on-line portion of

the Orientation in the Knowledge Center. The online enhancements included the addition of a "New Employee Orientation Checklist", "New Employee Benefits", "Mandatory Agency Training" and "A Tour of FDA'. An overview of "Basic Records Documentation" and the "High Performance Organization was also added to Part I of the NEO. All presentations given during Part 1 of the NEO were assessed and streamlined to include only the most important information needed by a new employee.

- A "Certificate of Completion" was designed and can now be generated through the Knowledge Center once an employee has completed a CVM course.
- Due to the upcoming implementation of the "HHS Learning Portal", focused on customized changes and enhancements to the CVM Knowledge Center which provide CVM employees with the latest scientific, technical and veterinarian specific information, courses, and learning options.
- Courses have expanded significantly (since FY 03) to include:
  - Statistics, Scientific, Reviewer Rounds, Emerging Technology, Regulatory Law, and Drug Manufacturing Series;
  - Feed Manufacturing, Document Management (which was also added to the New Employee Orientation), Project Management, Occupant Emergency Plan, Interviewing, and "Love 'Em or Lose 'Em" (senior management tools for motivating and retaining employees).
- Course evaluation has been enhanced through the implementation of the Audience Response System (ARS).
- Initiated discussions and planning for Master's of Science and Master's of Public Health programs (with ONADE and the University of Maryland).

- **Data Sources:** CVM's priority project tracking system.

4. Enhance the transparency of the NARMS program to stakeholders, the public, and other interested parties by increased reporting and communicating of NARMS results and program information. (14005)

- **Context of Goal:** NARMS is a major national surveillance effort in cooperation with FDA, CDC, and USDA. NARMS detects emerging antibiotic resistance among foodborne pathogens and the possible associated health hazards through systematic collection, analysis and interpretation of antimicrobial susceptibility surveillance data. NARMS is adding to our knowledge of drug susceptibility and is helping ensure the continued effectiveness of human and veterinary drugs.
  One of the NARMS program goals has always been to provide timely information on antibiotic resistance to physicians and veterinarians to allow them to make informed decisions on treatment options for their patients. For example, a multi-drug resistant variant of Salmonella Newport emerged in humans and animals and was detected in the NARMS data. The participating NARMS agencies alerted the human and veterinary medical communities to this emergence so that they were aware and could take appropriate actions in treating infections with this organism.
- **Performance:** In CY 99 = collected 8,510 animal and 1,706 human isolates; CY 00 = collected 9,000 animal and 2,000 human isolates. CY 01 = collected 6,795 animal,

1,671 human and 433 retail meat isolates. Although, NARMS testing was expanded in CY 01 (retail meats sampling added), fewer veterinary isolates were available for study. Salmonella sampling was not a part of the 2001 USDA/APHIS National Animal Health Monitoring System (NAHMS) program; therefore, isolates were not received from that program for NARMS antimicrobial susceptibility testing in 2001. In CY 02 12,000 salmonella isolates were collected. In FY 03, the goal was revised to reflect how CVM will use NARMS data to communicate with the public on antibiotic resistance. Previously, the goal reflected dependence on factors beyond FDA's control such as the number of humans contracting a foodborne disease as well as the sampling issue mentioned above. In FY 03, CVM accomplished this goal through various activities including poster sessions and presentations of NARMS information at scientific forums (sponsored by the American Society of Microbiology, the American Veterinary Medical Association, the United States Department of Agriculture and the Centers for Disease Control and Prevention). Other means of communication included: a NARMS article in the FDA Veterinarian as well as an article on the Mexico project in Antimicrobial Agents and Chemotherapy; updated NARMS information on FDA's website; and, a Spanish translation of the NARMS program brochure. In addition, there was the publication of the Annual Report of NARMS animal, human and retail meat data. In FY 2004 the following activities were accomplished in support of this goal:

- Completed the first annual NARMS retail meat report. This can be found on line at the CVM website. This report provides data on the prevalence of antimicrobial resistant food borne pathogens and commensal bacterial among retail meat and poultry samples;
- Conducted numerous presentations on NARMS at national and international scientific meetings; and
- Completed total revision of FDA CVM NARMS web page with the addition of NARMS peer-reviewed publications and FDA Veterinarian articles.

Since the Center determined the goal has transitioned from performance to maintenance due to stable performance, the goal is dropped as of FY 05.

- **Data Sources:** National Antimicrobial Resistance Monitoring System.

CDRH's Performance Goals

Performance Goals	Targets	Actual Performance	Reference
1. Complete Review and Decision on 80% of Expedited PMAs within 300 days./1 (15033)	FY 06: 80% FY 05: 70% FY 04: NA FY 03: NA	FY 06: FY 05: FY 04: NA FY 03: NA	**4** **Outcome Goal**
2. Complete Review and Action on 90% of Premarket Approval Application of an estimated 80 (PMA) first actions within 180 days. (15001)	FY 06: NA FY 05: NA FY 04: 90% FY 03: 90% FY 02: 90% FY 01: 90% FY 00: 85% FY 99: 65%	FY 06: FY 05: FY 04: 6/06 FY 03: 97.7% of 43 FY 02: 97% of 33 FY 01: 97% of 70 FY 00: 96% of 67 FY 99: 74% of 43	**4**

Performance Goals	Targets	Actual Performance	Reference
3. Complete Review and Decision on 80% of 180 day PMA supplements within 180 days./1 (15031) **FY 2003 Review time 180 days**	FY 06: 80% FY 05: 80% FY 04: NA FY 03: NA	FY 06: FY 05: FY 04: NA FY 03: NA	**4 Outcome Goal**
4. Complete Review and Action on 95% of an estimated 725 PMA supplement final actions within 180 days. (15009)	FY 06: NA FY 05: NA FY 04: 95% FY 03: 95% FY 02: 90% FY 01 90% FY 00: 85%	FY 06: FY 05: FY 04: 6/06 FY 03: 95.5% of 157 FY 02: 95% of 498 FY 01: 98.4% of 641 FY 00: 98.7% of 545	**4**
5. Complete Review and Decision on 75% of 510(k)s (Premarket Notifications) within 90 days./1 (15032)	FY 06: 75% FY 05: 75% FY 04: NA FY 03: NA	FY 06: FY 05: FY 04: NA FY 03: NA	**4 Outcome Goal**
6. Complete Review and Action on 95% of an estimated 4,325 510(k) (Premarket Notification) final actions within 90 days. (15002)	FY 06: NA FY 05: NA FY 04: 95% FY 03: 95% FY 02: 95% FY 01: 95% FY 00: NA	FY 06: FY 05: FY 04: 6/06 FY 03: 99% of 4328 FY 02: 100% of 4322 FY 01: 100% of 4248 FY 00: 100% of 4202	**4**
7. Complete 95% of PMA "Determination" meetings within 30 days. (15024)	FY 06: NA FY 05: NA FY 04: 95% FY 03: 95% FY 02: 95% FY 01: 95% FY 00: 95%	FY 06: FY 05: FY 04: 100% of 2 FY 03: 100% of 1 FY 02: 100% of 1 FY 01: 100% of 3 FY 00: 100% of 3	**4**
8. Maintain inspection and product testing coverage of Radiological Health industry at 10% of an estimated 2000 electronic products. (15027)	FY 06: 10% FY 05: 10% FY 04: 10% FY 03: 10% FY 02: NA FY 01: NA	FY 06: FY 05: FY 04: 10% of 2,400 FY 03: 14% of 2000 FY 02: 5% of 2,000 FY 01: 10% of 2,000 FY 00: 10% of 2,000	**4**
9. Ensure at least 97% of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3% with Level I (serious) problems. (15007)	FY 06: 97% FY 05: 97% FY 04: 97% FY 03: 97% FY 02: 97% FY 01: 97% FY 00: 97% FY 99: 97%	FY 06: FY 05: FY 04: 97% of 9,100 FY 03: 97% of 9,200 FY 02: 97% of 9,008 FY 01: 97% of 9,262; but with 3.4% with Level I (serious) problems. FY 00: 97% of 9,443 FY 99: 97% of 9,583	**4 Outcome Goal**

Performance Goals	Targets	Actual Performance	Reference
10. Expand implementation of MedSun to a network of 350 facilities. (15012)	FY 06: Maintain a cohort of 350. Roll-out non-performers and replace with new sites to maintain the 350. FY 05: Expand MedSun hospital network to 350 facilities. FY 04: Build a MedSun hospital network of 240 facilities. FY 03: Build a MedSun hospital network of 180 facilities. FY 02: Implement MedSun by recruiting a total of 80 facilities for the network. FY 01: Recruit a total of 75 hospitals to report adverse medical device events. FY 00: Develop MedSun based on approximately 25 user facilities. FY 99: Implement pilot	FY 06: FY 05: FY 04: FDA recruited, trained and has functioning 299 facilities for the network. FY 03: FDA recruited, trained and has functioning 206 facilities for the network. FY 02: FDA recruited, trained and has functioning 80 facilities for the network. FY 01: FDA began feasibility testing with 25 hospitals and worked on software changes needed for website health data security. FY 00: Developed MedSun Phase II Pilot based on approximately 25 user facilities. FY 99: Pilot completed	**5 Outcome Goal**
		# **= corresponds to the relevant strategic goal in the HHS Strategic Plan**	

NOTES:

1 DECISION GOALS applied to MDUFDA will be based on baseline data collected in FY 2003 and FY 2004. Decision goals identify the number of days for FDA to perform a complete review and issue a decision letter. Decision letters include: approval, approvable, approvable pending GMP inspection, not approvable and denial.
PMA first actions include: approval, approvable, approvable pending GMP inspection, not approvable, denial or "major deficiency letter.
PMA Supplement final actions include: approval, approvable, approvable pending GMP inspection, not approvable, or denial**.**
510(k) first actions include: SE, NSE, or "additional information" letter.

1. Complete Review and Decision on 80% of Expedited PMAs within 300 days. (15033)

- **Context of Goal:** Complete review and action constitutes the comprehensive review of the application package initially received by FDA and FDA's response back to the device sponsor. PMAs involve potentially high-risk devices with the most chance of significantly improving the treatment of patients. The steps taken in MDUFMA that will reduce approval times for applications are expected to reduce approval times for all ultimately filed applications, while recognizing that many applications may not ultimately meet FDA's standards for safety and effectiveness and that performance

measures based on all applications will take more time to observe. The FDA will achieve this goal by reducing unnecessary cycles, through encouraging and supporting higher-quality applications and more efficient resolution of outstanding issues. For example, MDUFMA encourages more pre-submission meetings, especially for expedited products. FDA will use these interactions with sponsors to clarify requirements and improve the quality of applications so that there are fewer cases where FDA needs to stop the review clock and go back to sponsors to ask for more information. FDA is also using a collaborative process by leveraging with outside experts. The MDUFMA legislation includes a required statutory minimum amount of appropriated funds that must be provided each year for FDA's medical device and radiological programs.

- **Performance:** The current baseline FDA marketing approval time for standard PMAs is 320 days. The approval of some key PMAs has been delayed, for example in the cardiac area, because CDRH doesn't have sufficient staff to handle simultaneous reviews that required the same review expertise. MDUFMA resources will be used both for new hires and to expand external expertise.
- **Data Sources:** Center for Devices and Radiological Health (CDRH) Premarket Tracking System and Receipt Cohorts.

2. **Complete Review and Action on 90% of Premarket Approval Application of an estimated 80 (PMA) first actions within 180 days.** (15001)

- **Context of Goal:** Complete review and action constitutes the comprehensive review of the application package initially received by FDA and FDA's response back to the device sponsor. PMAs involve potentially high-risk devices with most chance of significantly improving the treatment of patients. It is essential that FDA complete the review process for these products quickly and thoroughly. FDA anticipates significant complexity of PMAs. For example, many new devices will incorporate computer technology as part of the diagnostic capability of the device itself and continuing improvements in image technology will require more sophisticated review skills. In addition, 40 percent of PMA are breakthrough technologies and approximately 35 percent are from first-time submitters. These factors add time to the normal review process. For FY 2005 this goal will be dropped and replaced with goal 15033.
- **Performance:** This goal is currently on target to be completed successfully in FY 2004. The final FY 2004 data for this cohort will be available in 2006. The medical device program attained this goal in FY 2003 by completing review and action on 97.7% of PMA first actions within 180 days. CDRH expects to meet the target for this goal, as the preliminary data for this goal is 90% of 35. In FY 2001, FDA performance was 97 percent for the applications received in FY 2001. The performance strategy has been to redirect resources from low-risk to high-risk devices. However, in FY 2002, the Center's direct review effort was reduced by 20 FTE and the projected performance goal for FY 2003 has been reduced from 95 percent to 90 percent. FY 2004 was projected based on being able to maintain the FY 2003 performance. FY 2004 was projected based on being able to maintain the FY 2003 performance of completing review and action on 90% of premarket approval applications within 180 days.

- **Data Sources:** Center for Devices and Radiological Health (CDRH) Premarket Tracking System and Receipt Cohorts.

3. **Complete Review and Decision on 80% of 180 day PMA supplements within 180 days.**
(15031)

Note: Workload is anticipated to increase in FY 2004 due to advances in technology.

- **Context of Goal:** Complete review and decision constitutes the comprehensive review of the application package initially received by FDA and FDA's decision letter. PMAs involve potentially high-risk devices that have the highest likelihood of significantly improving the treatment of patients. Supplemental applications are generally submitted for changes in already approved products such as technology changes or the addition of a new indication. It is essential that FDA complete the review process for these products quickly and thoroughly. Real-time PMA Supplement review is a regulatory tool that gives sponsors the option of participating in "real-time" reviews of certain device changes and these are conducted by teleconference or face-to-face. This gives manufacturers a chance to discuss all of FDA's review issues at one time. The MDUFMA legislation includes a required statutory minimum amount of appropriated funds that must be provided each year for FDA's medical device and radiological programs.
- **Data Sources:** Center for Devices and Radiological Health (CDRH) Premarket Tracking System will develop during FY 2003 and FY 2004 baseline metrics for use in measuring FY 2005 PMA Supplement performance.

4. **Complete Review and Action on 95% of an estimated 725 PMA supplement final actions within 180 days.** (15009).

- **Context of Goal:** Complete review and action constitutes the comprehensive review of the application package initially received by FDA and FDA's response back to the product sponsor. PMA supplements involve potentially high-risk devices that have the highest likelihood of significantly improving the treatment of patients. Supplemental applications are generally submitted for changes in already approved products such as technology changes or the addition of a new indication. It is essential that FDA complete the review process for these products quickly and thoroughly. Real-time PMA Supplement review is a regulatory tool that gives sponsors the option of participating in "real-time" reviews that are conducted by teleconference or face-to-face. This gives manufacturers a chance to discuss all of FDA's review issues at one time. In FY 2001, sponsors of over 25 percent of the 641 PMA supplements could use the real-time review option, mostly by teleconference. For FY 2005 this goal will be dropped and replaced with goal 15031.
- **Performance:** This goal is currently on target to be completed successfully in FY 2004. The final FY 2004 data for this cohort will be available in 2006. CDRH met the target for this goal, completing review and action on 97% for the applications received in FY 2003. FY 2002 performance was 95 percent for the applications received in FY 2002.
- **Data Sources:** CDRH Premarket Tracking System and Receipt Cohorts.

5. **Complete Review and Decision on 75% of 510(k)s (Premarket Notifications) within 90 days.** (15032)

- **Context of Goal:** Complete review and decision constitutes the complete review of the application package initially received by FDA and FDA's response back to the product sponsor. This goal for review and decision on 510(k)s within 90 days addresses the statutory requirement to review a 510(k) within 90 days**.** The MDUFMA legislation includes a required statutory minimum amount of appropriated funds that must be provided each year for FDA's medical device and radiological programs. Without that minimum level or appropriation, the authority for FDA to collect and spend these medical device user fees will disappear on October 1, 2005-or in any subsequent year when appropriations fail to meet this minimum standard.
  Performance: This goal is new for FY 2005
- **Data Sources:** CDRH Premarket Tracking System and Receipt Cohorts.
  Third Party 510(k) Reviews are consistent with FDAMA's and MDUFMA's intent to encourage use of outside scientific and technical expertise, and provide an alternative to FDA review. 510(k)s reviewed by Accredited Persons received FDA marketing clearance 29 percent faster than comparable 510(k)s reviewed entirely by FDA**.** Additionally most Accredited Persons have specialized expertise in areas that may be helpful to 510(k) submitters, such as device testing, standards, or foreign regulatory requirements.
  In an effort to encourage greater use of the Third Party Program, FDA implemented an expansion pilot in 2001. FDA's experience and past progress can be found on the CDRH website located at http://www.fda.gov/cdrh/thirdparty/.
  Special and Abbreviated 510(k) Submissions provide manufacturers with reengineered submission procedures established by CDRH's *New 510(k) Paradigm*. These submissions are simpler to process than traditional 510(k)s, allowing more rapid market clearance. Past experience indicates that these types of submissions are rapidly increasing in numbers.

6. **Complete Review and Action on 95% of an estimated 4,325 510(k) (Premarket Notification) final actions within 90 days.** (15002)

- **Context of Goal:** Complete review and action constitutes the comprehensive review of the application package initially received by FDA and FDA's response back to the product sponsor. This is an FY 1999 goal, dropped in FY 2000, and picked back up for FY 2001,
  FY 2002, FY 2003 and FY 2004 as a more meaningful measure of performance in this area. This goal for final actions on 510(k)s within 90 days addresses the statutory requirement to review a 510(k) within 90 days. Pressures to improve review time will increase in FY 2005 to meet MDUFMA goals. As directed by OMB, this goal was dropped for FY 2005 in order to streamline FDA's Performance Plan.
- **Performance**: This goal is currently on target to be completed successfully in FY 2004. The final FY 2004 data for this cohort will be available in 2006. In FY 2003, performance is 99%. FY 2002, performance is 100 percent. This performance has resulted, in part, from FDA utilizing innovative ways to improve review efficiency. The two efforts listed under the heading of "Third Party Reviews" below are

illustrative of FDA device review improvements. FDA encourages firms to use these regulatory options.

- **Data Sources:** CDRH Premarket Tracking System and Receipt Cohorts.
  Third Party 510(k) Reviews are consistent with FDAMA's intent to encourage use of outside scientific and technical expertise, and provide an alternative to FDA review. During FY 2002, FDA received 127 510(k)s reviewed by third parties, a 19% increase from
  FY 2001. 510(k)s reviewed by Accredited Persons received FDA marketing clearance 29 percent faster than comparable 510(k)s reviewed entirely by FDA. An added bonus is that most Accredited Persons have specialized expertise in areas that may be helpful to 510(k) submitters, such as device testing, standards, or foreign regulatory requirements.
  In an effort to encourage greater use of the Third Party Program, FDA implemented an expansion pilot in 2001 that allowed Accredited Persons to review many Class II devices that were not previously eligible. The pilot allows, subject to certain conditions, Accredited Persons to review Class II devices for which there are no device-specific guidance documents. FDA's website is at http://www.fda.gov/cdrh/thirdparty/.
  Special and Abbreviated 510(k) Submissions provide manufacturers with reengineered submission procedures established by CDRH's *New 510(k) Paradigm*. These submissions are simpler to process than traditional 510(k)s, allowing more rapid market clearance. In FY 2002, the Agency received 787 Special 510(k) applications and 185 Abbreviated (510(k)s. 776 Special 510(k)s were processed within 28 days and all of the Abbreviated 510(k)s were acted on within the required 90 days, FDA expects to receive an estimated 1000 Special and Abbreviated 510(k) submissions in 2003.

7. **Complete 95% of Premarket Approval Application (PMA) "Determination" meetings within 30 days.** (15024)

   Context of Goal: This performance goal deals with FDAMA requirements for increased interactions with sponsors and covers PMA Determination Meetings. A PMA Determination Meeting may be requested by a prospective PMA applicant to determine the type of scientific evidence necessary for PMA approval. FDA will continue to work to meet statutory review times and increase interactions with the medical device industry. FDA anticipates the use of premarket approval meetings will reduce the premarket review times and result in moving new products to the market faster. As directed by OMB, this goal was dropped for FY 2005 in order to streamline FDA's Performance Plan.

- **Performance:** FY 2004 was 100 percent. FY 2003 performance was 100 percent. FY 2002 performance was 100 percent.
- **Data Sources:** CDRH Premarket Tracking System and Receipt Cohorts.

8. **Maintain inspection coverage and product testing coverage of the Radiological Health industry at 10 percent of an estimated 2,000 electronic products.** (15027)

- **Context of Goal:** FDA is seeing a resurgence of problems in both the medical and consumer radiological product area such as widespread new uses for fluoroscopy by relatively untrained practitioners increasing the risk of over exposure and high emission rates from consumer products. FDA has monitored cases of unnecessary radiation emitted during fluoroscopy. Principal risks to patients from over-exposure include long-term possibilities for cancer induction and a short term potential for skin burns. FDA is proposing new regulations that would require more restrictive specifications for new equipment. FDA estimates the new regulations can spare 723 lives per year from radiation-induced cancer, recognizing it averages 30 years for the long-term radiation-induced cancer to emerge after exposure. FDA has also established a working collaborative with the ACC, (cardiologists being a most frequent user) to educate other users. FDA also receives approximately 5,000 electronic product reports yearly. Since FDA can't review these on a one-by-one basis, FDA plans to select product areas that require immediate attention by testing specific automatic screening criteria for electronic reports.
- **Performance:** FDA met this goal by inspecting 10% of 2,400; 14% of 10,400 Dx X-Ray units installed based on m204 data; 80% of planned Dx XRay; WEAC sample analysis based on PODS data. Accomplishment varies by industry for non-medical electronic products, averaging 10% overall. FDA met this goal by inspecting 14% of active radiological health firms. In FY 2003, FDA estimates there were approximately 2,000 active radiological health firms FDA is responsible for regulating domestically and internationally. In FY 2002, CDRH was able to check the compliance status for about 5 percent of these firms, by reviewing inspection reports and product testing reports submitted by manufacturers. FDA initiated activities to prioritize and leverage its radiation protection efforts with state governments, professional societies, and other federal agencies. This compliance status was estimated by CDRH's Office of Compliance by reviewing inspection reports from FDA and State inspectors and product testing reports submitted by industry.
- **Data sources:** CDRH Radiological Health Data Systems.

9. Ensure at least 97% of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3% with Level I (serious) problems. (15007)

- **Context of Goal:** This goal will ensure that mammography facilities remain in compliance with established quality standards and improve the quality of mammography in the United States. In the Mammography Quality Standards Reauthorization Act (MQSRA) of October 1998, Congress authorized the FDA to undertake a demonstration program to assess the results of conducting mammography inspections less frequently than annually for the highest performing facilities. The program was implemented in May 2002. MQSA expired on September 30, 2002, but FDA expects MQSA to be reauthorized during the 2004 congressional session. Under MQSA, trained inspectors with FDA, with State agencies under contract to the FDA, and with States that are certifying agencies, performed annual MQSA inspections. State inspectors do approximately 90 percent of inspections. Inspectors performed science-based inspections to determine the radiation dose, to assess phantom image quality, and to empirically evaluate the quality of the facility's film processing. MQSA requires FDA to collect fees from facilities to cover the cost of their annual facility inspections. FDA also employs an extensive outreach program to

inform mammography facilities and the public about MQSA requirements. These include: an Internet website, collaboration with NIH to provide a list of MQSA-certified facilities, and a toll fee facility hot line.

- **Performance**: FDA met this goal in FY 2004 by ensuring that 97 percent of an estimated 9,100 mammography facilities met inspection standards with less than 3 percent level 1 (serious) problems. During FY 2003, FDA ensured that 97 percent of mammography facilities met inspection standards and with less than 3 percent with Level 1 (serious) problems. Inspection data continue to show facilities' compliance with the national standards for the quality of mammographic images. Improving the quality of images should lead to more accurate interpretation by physicians and, therefore, to improved early detection of breast cancer. FDA works cooperatively with the States to achieve this goal.
- **Data Sources:** Mammography Program Reporting and Information System (MPRIS)

10. Expand implementation of the MedSun System to a network of Expand implementation of MedSun to a network of 350 facilities. (15012)

- **Context of Goal:** FDAMA gives FDA the mandate to replace universal user facility reporting with the Medical Product Surveillance Network (MedSun) that is composed of a network of user facilities that constitute a representative profile of user reports. FDA estimates that there may be as many as 300,000 injuries and deaths annually associated with device use and misuse. FDA has developed a long-term goal to increase the percent of the population covered by active surveillance, which will allow for more rapid identification and analysis of adverse events. FDA's long-term goal is: "***Increase by 50% the patient population covered by active surveillance of medical product safety by 2008"***. MedSun is a critical component towards achieving this long-term goal. When fully implemented, MedSun will reduce device-related medical errors; serve as an advanced warning system; and create a two-way communication channel between FDA and the user-facility community. MedSun is designed to train hospital personnel to accurately identify and report injuries and deaths associated with medical products. Data collection began in March 2002 and continues to date, along with recruitment of participating centers. FDA's goal for FY 2003 was to recruit at least 180 facilities. For 2004, with increased funding, FDA exceeded its goal of recruiting 240 facilities. Instead, it recruited 299 facilities. In FY 2005, FDA will recruit new facilities to expand the network to 350, and to replace those facilities that choose to leave. *The goal for FY 2006 will be to maintain a cohort of 350 sites, replacing sites that wish to leave the program or have not been active participants.* The enhancement of the adverse events data system and linkages with other health care systems is the first line of defense against medical errors, supporting the Department's initiative to improve the quality of health care services. *In 2004,* the agency expanded the MedSun model to include a pilot study to evaluate procedures for collecting data on problems with laboratory tests and to evaluate the feasibility of including hospital laboratory staff. The laboratory staff from five (5) facilities were utilized. The information received about laboratory devices was very useful to FDA, so it has been decided to expand the laboratory data collection to the remaining MedSun sites. Additionally, FDA plans to use the cohort of 350 facilities to pilot the effectiveness of various incentives, to pilot use of the MedSun facilities as

a laboratory to obtain specific medical product information, and to pilot various types of feedback intended to encourage reporting by the facilities. FDA will continue to research and develop improved feedback mechanisms to the participating facilities about problems with medical devices The agency will implement targeted surveillance of different parts of hospitals (ex. ICU, Operating Room, etc.), and of particular devices; and will also continue to explore how to improve reporting from hospital laboratories (LabSun), develop educational materials to raise awareness about the need to report device problems within institutions and to FDA, and continue the successful audio conferences which discuss items of interest to biomedical engineers.

- **Performance:** In FY 2004, FDA exceeded its MedSun recruitment goal by recruiting a total of 299 facilities. In FY 2003, the agency met its goal by recruiting a total of 206 facilities into the MedSun system. In FY 2002, FDA recruited, trained and had functioning 80 facilities for the network. In FY 2001, FDA did not meet the goal of recruiting 75 hospitals because most of the effort was focused on resolving internal policy issues and addressing information technology security requirements. During FY 2002, FDA extended software development to accommodate Internet-based reporting system (interactive web-based form and database), and took steps to ensure that reporters had Internet access to secure servers.
- **Data Sources:** CDRH Adverse Events Reports.

National Center for Toxicological Research Performance Goals

Performance Goals	Targets	Actual Performance	Reference
1. Use new technologies (toxicoinformatics, proteomics, metabolomics, and genomics) to study the risk associated with how an FDA-regulated compound or product interacts with the human body. (16014)	FY 06: Present one finding utilizing novel technologies to assess changes in genes and pathology, and the relationship between chemical exposure, toxicity and disease. FY 05: Develop at least one protocol (proof of concept) to aid in defining drug toxicity studies and studies into mechanistic age-associated degenerative disease. FY 04: Use toxicoinformatics, combining information technology with toxicity data, to assess human risk for one regulated product (proof of concept)	FY 06: FY 05: FY 04: Used biologically-based models of cancer-causing mutations to study skin tumor induction by regulated physical and chemical products.	**4**
2. Develop computer-based models and infrastructure to predict the health risk of biologically active products. (16003)	FY 06: Interpret at least one toxicology study at the molecular level utilizing the DNA microarray database (ArrayTrack). FY 05: Develop a computer-based system to integrate databases, libraries and analytical tools to support risk analysis and assessment.	FY 06: FY 05:	**4**

Performance Goals	Targets	Actual Performance	Reference
	FY 04: Expand current technologies to include risk assessment for two biologically active products of interest to the FDA. FY 03: Maintain existing computational databases of estrogenic and androgenic compounds for use by reviewers. FY 02: Maintain existing computational databases of estrogenic and androgenic compounds for use by reviewers. FY 01: Validate a predictive model for androgens. FY 00: Validate predictive model for estrogenic or estrogenic-like compounds. FY 99: Demonstrate a model toxicity knowledge base to support and expedite product review	FY 04: Modeled *in vivo* gene mutation and genotoxicity data to gain insight into the mechanism of action and relative risk posed by liver and lung carcinogens. FY 03: The data is available for public access and allows for integration of information across health research fields. FY 02: Developed an integrated Toxicoinformatic System that includes a central data archive, mirrored public databases, and analysis functions. FY 01: Predictive model for androgen receptors was developed and assessment of 204 chemicals completed. FY 00: The estrogenicity of 150 chemicals was assessed using an estradiol receptor-binding assay validating the predictive model. Two additional assays were evaluated for androgen binding. FY 99: Thirty (30) chemicals for CFSAN and six chemicals for CDER have been used to confirm the predictive value of the computer modeling system. Partnering continues with other agencies (EPA, etc.) and industry (CMA).	
3. Develop risk assessment methods and build biological dose-response models in support of Food Security. (16007)	FY 06: Demonstrate one utility of an oligonucleotide-microarray method as an integrated strategy to respond to antibiotic resistant agents in foodborne pathogens and bioterror agents. FY 05: Develop molecular method (oligo-microarray) to detect and monitor foodborne pathogenic bacteria. FY 04: Under the Food Safety Initiative, establish a nutrition program in collaboration with other centers to address the risk associated with obesity in children, nutrition in pregnant women and poor nutrition in sub-populations; and initiate analysis on samples requiring high levels of containment	FY 06: FY 05: FY 04: Collaborative efforts that support this goal / target include participation on a committee involving CFSAN, CVM, and NCTR. This committee has prepared a white paper entitled, "Filling Critical FDA-Related Food and Nutrition Research Gaps."	**2**

Performance Goals	Targets	Actual Performance	Reference
	in an accredited biosafety level 3 (BL-3) facility	Analyzed surrogate microbes to test methodology as well as the public health risk for foodborne hazards.	
	FY 03: Identify and characterize the role antibiotic resistance plays in emerging and evolving foodborne diseases. FY 02: Report at scientific meetings and/or publish preliminary results on the development of new methodologies to identify genetically modified foods, drug residues in foods and antibiotic-resistant strains of bacteria. FY 01: Provide model to replicate bacterial survival in the stomach.	FY 03: Studies are being conducted to determine whether antimicrobial resistance occurs in bacteria isolated from animal feeds containing antibiotics and to identify the pattern of resistance. FY 02: Researchers published approximately 50 publications and made approximately 20 presentations relating to food safety. FY 01: Performed pre-validation studies that examine the effect of low-level antibiotic residues on the human intestinal microflora by using a chemostat to model the human intestinal tract.	
	FY 00: Develop methods of predicting, more quickly and accurately, the risk associated with such foodborne pathogens as Salmonella spp., Shigella spp., and Campylobacter spp.	FY 00: Studies are continuing on the *in vitro* model and molecular analysis of competitive exclusion products; molecular screening methods have been developed for the determination of vancomycin and fluoroquinolone resistance in *Campylobacter sp*. isolated from poultry.	
	FY 99: Develop rapid and sensitive methods for identifying pathogens, foodborne bacteria, and microbial contaminants	FY 99: A project to detect simultaneously 13 species of foodborne pathogens in a single food sample was completed and is undergoing validation. CVM has been alerted to the danger associated with using antibiotic-resistant bacteria for competitive exclusion product in the poultry industry.	
4. Catalogue biomarkers and develop standards to establish risk in a bioterrorism environment. (16012)	FY 06: Present one finding utilizing neuropathology and behavioral risk evaluation in the prediction of human outcome to food-borne toxicants. FY 05: Present one finding using neural imaging to identify neurotoxicity in exposed populations. FY 04: Apply neural imaging to	FY 06: FY 05: FY 04: A proposal was	**2**

Performance Goals	Targets	Actual Performance	Reference
	identify and quantify neurotoxicity in exposed populations; and upgrade NCTR's animal quarantine facility to conduct animal research requiring BL3 containment in order to evaluate the effect of bioterrorism agents contaminating the food supply. FY 03: Develop one instru-mental rapid sensor detection method. Outfit upgraded laboratory, provide for supplies (agents, chemicals/pathogens) and construct library databases of proteins and test to find toxin related markers; Recruit additional expertise in Computational Science, Chemistry and Microbiology. FY 02: Continue development of solid-phase colorimetric bacterial detection system. Acquire high-resolution mass spectrometer for use with protein from bacteria, food toxins and genomics studies. Upgrade existing laboratory facilities to BSL-3 to support BSE/TSE and microbial bioterrorism work. Recruit additional expertise in Computational Science, Chemistry and Microbiology. FY 01: Begin developing solid-phase colorimetric bacterial detection system. FY 00: Begin developing solid-phase colorimetric bacterial detection system.	generated that is designed to determine the reversibility of the development of the effects of the dissociative anesthetic, ketamine, with the use of MicroPET imaging techniques. A portion of the quarantine facility has been "up graded" to conduct animal BSL3) *cryptosporidia* studies. FY 03: The Pyrolysis MAB MS computational system was installed and generating data that shows a very rapid characterization of potential bioterror bacterial strains is possible. Staff was recruited and the BSL-3 laboratory will be ready for use by mid 2004. FY 02: Scientists are working on streamlining this methodology for use on meat as well as seafood. Equipment was purchased and calibrated. An outside firm assessed the NCTR facility for laboratory architecture and requirements; and, a floor plan was developed. One computational scientist, three chemists and two microbiologists were hired. FY 01: Application/extension of Fresh Tag® technologies for detection of nitrogen-based explosives began. FY 00: Goal not meet due to lack of funding	
		# = **corresponds to the relevant strategic goal in the HHS Strategic Plan**	

1. Use new technologies (toxicoinformatics, proteomics, metabolomics and genomics to study the risk associated with how an FDA-regulated compound or product interacts with the human body. **(16014)**

- **Context of Goal:** Staying abreast of new technologies in science is important for the Agency to protect public health. This goal is designed to establish core competencies within the FDA that can form a foundation for future high technology science. Techniques developed under this goal will utilize the emerging knowledge of the human genome and rapid biological analyses to improve human health, and to insure the safety of marketed products.

- **Performance:** NCTR developed a unique and sophisticated analytical infrastructure to assess the safety of FDA-regulated products using genomics, proteomics and metabolomics in conjunction with traditional biomarkers of safety. The development of this research approach is directed toward creation of a more relevant and quantitative risk assessment paradigm. A systems biology approach to toxicity testing will provide data that will be more easily extrapolated to the human making data interpretation more facile and relevant. The result will be new disease markers and drug targets that aid in design of products to prevent, diagnose and treat disease. Researchers have combined mechanistic information with toxicity data to perform a mechanistically based cancer assessment on fumonisin B_1 that provided support and justification for FDA's guidance levels for fumonisins in corn products. Scientists are actively pursuing collaborations in the systems biology realm of research with industry, academia, and within FDA.
- **Data Sources:** NCTR Project Management System; peer-review through FDA/NCTR Science Advisory Board and the NTP Scientific Board of Counselors; presentations at national and international scientific meetings; and manuscripts prepared for publication in peer-reviewed journals.

2. Develop computer-based models and infrastructure to predict the health risk of biologically active products. (16003)

- **Context of Goal:** Using a scientifically based endocrine disruptor knowledge base (EDKB), FDA-regulated drugs, food additives, and food packaging have been shown to contain estrogenic activity. This raised the level of concern regarding adverse effects on human development/reproduction and contributions of these compounds to high incidences of cancer and/or risk of other diseases. Following the success achieved with the EDKB, NCTR scientists will identify and predict, using knowledge bases, whether the increased exposure to naturally occurring and other synthetic products can adversely impact public health.
- **Performance:** The development of the knowledge base for assessing risk associated with other regulated products continues. NCTR developed an integrated Toxicoinformatic System that includes a central data archive, mirrored public databases, and analysis functions. The central data archives contain a set of relations databases, each storing experiment information. These databases are continually being updated, enhanced with new linkages and additional experimental data and are being used to assess compounds for NCTR, CFSAN, CDER and EPA. In FY 2004, scientists used biologically based models of skin tumor development that use oncogene and tumor suppressor gene mutation frequency to describe skin tumor development. Comparisons will be made between spontaneous tumor induction, after treatment with simulated solar light (as would be encountered in a tanning salon), and after simulated solar light in combination with various cosmetic products. Modeling also was performed with a number of model toxicants, including riddelline, a food contaminant that is a liver carcinogen and 1,6-dinitropyrene, a combustion product that is a lung carcinogen.
- **Data Sources:** Use of the predictive and knowledge-based systems by the FDA reviewers and other government regulators; NCTR Project Management System; peer-review through the FDA/NCTR Science Advisory Board; presentations at

national and international meetings.

3. **Develop risk assessment methods and build biological dose-response models in support of Food Security.** (16007)

- **Context of Goal:** The Agency is mandated by law to assure that the American public is eating safe food. Therefore, the Agency must strengthen its scientific basis for food security policies and regulatory decisions through the development of novel, vigorous risk assessments (models and techniques) and through the use of artificial intelligence and computational science for risk assessments. Concurrently, the Agency must accelerate the identification and characterization of mechanisms and methods development/ implementation to support surveillance and risk assessment for imported foods and/or microbial contamination.
- **Performance:** Researchers at the NCTR, the Center for Food Safety and Applied Nutrition (CFSAN), and the Center for Veterinary Medicine (CVM) are continuing to perform studies on bacterial identification techniques both in the food supply and in microbial contamination. This research includes the elucidation of the mechanisms of resistance to antimicrobial agents among bacteria from poultry and vegetables. Microbiological experiments have been conducted that suggest a technique to reduce or eliminate contamination of the environment in agricultural uses of clinically important antibiotic drugs. The pattern of resistance development in bacteria found in animals fed antibiotic and differences in survival rates of drug-resistant pathogens compared to non-resistant pathogens will continue to be studied. In FY 2004 efforts included the evaluation of various molecular methods to detect and identify the foodborne pathogens *Campylobacter* and *Salmonella* species and *Vibrio* parahaemolyticus from various foods and environmental matrices.
- **Data Sources:** NCTR Project Management System; peer-review through FDA/NCTR Science Advisory Board; presentations at national and international scientific meetings; and manuscripts prepared for publication in peer-reviewed journals.

4. **Catalogue biomarkers and develop standards to establish risk in a bioterrorism environment.** (16012)

- **Context of Goal:** Identification of biomarkers is important because it will allow rapid identification of and response to potential contamination. These proteins identify specific genes that are potential targets for introduction of foodborne pathogenicity. The methodology as well as the biomarkers will be useful for rapid identification of hazards. Scientists will be able to expand a novel approach pioneered at the NCTR to rapidly identify biomarkers of toxicity associated with biological warfare agents. These types of agents used by bioterrorists would be difficult to detect using existing technology. This research is conducted in collaboration with the Centers for Disease Control (CDC), the Department of Defense (DoD), Naval Research Labs, the Joint Institute for Food Safety and Applied Nutrition (JIFSAN) and the Center for Food Safety and Applied Nutrition (CFSAN). In FY 2004, the chemistry and microbiology programs compared novel mass spectrometric methods with cultural methods, serological tests and molecular genetic methods for rapid identification of

foodborne pathogens. This method will reduce analysis time of contaminated food to a few hours which will protect public health in a suspected bioterrorist attack. NCTR has upgraded the Center's Biosafety Level-3 animal quarantine facility and early FY 2005 the Center will begin utilizing the laboratory to evaluate the effect of possible contamination agents.

- **Performance:** Chemical sensor technology for the assessment of food quality was further developed and the concept evolved into both a commercial version and a consumer version. The research extended to detect other endpoints that are measures of product quality and freshness. As an extension of this work, an interagency agreement was established with the Federal Aviation Administration (FAA) to detect explosives in airline cargo. Studies are being conducted to compare and contrast several new mass spectrometry techniques to more rapidly evaluate microbial risk. In FY 2003, scientists shared expertise and laboratory infrastructure to prevent or minimize threats from bioterrorism through the development of a Memorandum of Agreement with the Arkansas Department of Health. Scientists also developed in collaboration with the Arkansas Regional Laboratory a method for microbial isolation that dramatically reduces analysis time of contaminated food to only a few hours vs. 2-3 days.
- **Data Sources:** NCTR Project Management System; peer-review through FDA/NCTR Science Advisory Board, the NTP Scientific Board of Counselors, and the Food Safety Initiative Coordinating Committee; presentations at national and international scientific meetings; and manuscripts prepared for publication in peer-reviewed journals.

ORA Performance Goals

Performance Goals	Targets	Actual Performance	Appendix Reference
1. Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk. (11040)	FY 06: 38,000 reviews FY 05: 38,000 reviews FY 04: NA	FY 06: FY 05: FY 04: 33,111	**2,4**

2. Perform 60,000 import food field exams on products with suspect histories. (11036)	FY06: 60,000 exams FY05: 60,000 exams FY04: 60,000 exams FY03: Increase exams by 100% to 48,000 exams. FY02: Hire 300 new investigators and analysts to increase the number of import field exams by 97% to 24,000 exams.	FY 06: FY05: FY04: 70,926 FY03: 78,659 field examinations due to Operation Liberty Shield. FY02: Hired 600 new investigators and analysts; 34,447 exams conducted. FY01: 12,169	**2,4**
3. Perform at least 1,000 Filer Evaluations under new procedures. (19015)	FY 06: 1,000 Filer Evaluations. FY 05: 1,000 Filer Evaluations. FY 04: 1,000 Filer Evaluations	FY 06: FY 05: FY 04: 1,745	**2**
4. Conduct 2,000 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA are being exported. (19016)	FY 06: 2,000 examinations FY 05: 2,000 examinations FY 04: 2,000 examinations	FY 06: FY 05: FY 04: 4,905	**2**
5. Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities to reduce health risks associated with food, cosmetics and dietary supplements products. (11020)	Inspect 95% of estimated 6800 high-risk domestic food establishments once every year. FY 06: 95% FY 05: 95% FY 04: 95% FY 03: 95% FY 02: 95% FY 01: 90%	FY 06: FY 05: FY 04: 111% of 6,840 FY 03: 105% of 7000 FY 02: 97% of 7000 FY 01: 78% of 6800 FY 00: 91% of 6250	**4** **Supports Healthy People 2010 Objectives**
6. Maintain current level of monitoring for pesticides and environmental contaminants in foods through the collection and analysis of a targeted cohort of 8,000 samples. (11027)	FY 06: NA FY 05: NA FY 04: 8,000 + FY 03: 8,000 + FY 02: 8,000 + FY 01: 8,000 + FY 00: NA FY 99: NA	FY 06: FY 05: FY 04: 12,682 FY 03: 11,331 FY 02: 10,700 FY 01: 8,250 total (7,600 pesticide residues including 1,100 TDS; 650 dioxin including 250 TDS) FY 00: 7,400 total (2,500 domestic and 4,900 imported) FY 99: 9,400 total pesticide and chemical contaminant samples: 3,400 domestic and 6,000 imports.	**4** **Supports Healthy People 2010 Objectives**
7. Expand federal/state/local involvement in FDA's eLEXNET system by having 105 laboratories	FY 06: 105 laboratories FY 05: 95 laboratories FY 04: Add 25 more	FY 06: FY 05: FY 04: 79 laboratories	**2** **Outcome Goal**

submit data in the system. (19013)	laboratories for a total of 79 FY 03: 54 laboratories participating in eLEXNET	submitting data in eLEXNET FY 03: 55 laboratories participating in eLEXNET FY 02: 29 laboratories FY 01: 14 laboratories	
8. Increase risk-based compliance and enforcement activities to ensure product quality (12020) **Formerly: Inspect 55% of registered high-risk human drug manufacturers.**	FY06: Inspect 65% of the establishments identified as high-risk. FY 05: 55% of an estimated 685 establishments in the high-risk category. FY 04: 55% of an estimated 685 establishments in the high-risk category. FY 03: 55% of an estimated 630 establishments in the high-risk category.	FY 06: FY 05: FY 04: 70% of 683 FY 03: 60% of 971	**4**
9. Meet the biennial inspection statutory requirement by inspecting 50% of the approximately 2,600 registered blood banks, source plasma operations and biologics manufacturing establishments to reduce the risk of product contamination. (13012)	FY 06: 50% of approximately 2,600 establishments FY 05: 50% of approximately 2,700 establishments FY 04: 50% of approximately 2,700 establishments FY 03: 50% of approximately 2,700 establishments FY 02: 50% FY 01: 50% FY 00: 50% FY 99: 50%	FY 06: FY 05: FY 04: 55% of 2,648 FY 03: 60% of 2,662 FY 02: 52% of 2,730 FY 01: 57% of 2,756 FY 00: 57% of 2,756 FY 99: 64% of 2,790	**4**
10. Ensure the safety of marketed animal drugs and animal feeds by conducting appropriate and effective surveillance and monitoring activities. (14009)	1. Maintain biennial inspection coverage by inspecting 50% of all registered animal drug and feed establishments. FY 06: 50% of 1,390 FY 05: 50% of 1,390 FY 04: 50% FY 03: 50% FY 02: 50% FY 01: 50% FY 00: 27% FY 99: 27% 2. Conduct targeted BSE inspections of 100% of all known renderers and feed mills processing products containing prohibited material.	1. Maintain biennial inspection coverage by inspecting 50% of all registered animal drug and feed establishments. FY 06: FY 05: FY 04: 55% of 1,416 FY 03: 58.8% of 1440 FY 02: 55% of 1460 FY 01: 37% of 1460 FY 00: 39% of 1460 FY 99: 25% of 1418 2. Conduct targeted BSE inspections of 100% of all known renderers and feed mills processing products containing prohibited material.	**4**

	FY 06: 100% FY 05: 100% FY 04: 100% FY 03: 100% FY 02: 100%	FY 06: FY 05: FY 04: 100% of 647 FY 03: 100% of 880 FY 02: 100% of 1,305	
11. Conduct 295 domestic and foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations. (15025)	FY 06: 295 FY 05: 295 FY 04: 295 FY 03: 295 FY 02: 290 FY 01: 250	FY 06: FY 05: FY 04: 354 FY 03: 364 FY 02: 358 FY 01: 238 FY 00: 249	**4**
12. Utilize Risk management to target inspection coverage for Class II and Class Ill domestic medical device manufacturers at 20% of an estimated 5,540 firms. (15005.01)	FY 06: 20% FY 05: 20% FY 04: 20% FY 03: 20% FY 02: 20% FY 01: 17% FY 00: 22% FY 99: 26%	FY 06: FY 05: FY 04: 25% of 5,576 FY 03: 26% of 5,400 FY 02: 20% of 5,326 FY 01: 20% of 4,980 FY 00: 13% of 5,462 FY 99: 30% of 2,930	**4**
13. Utilize Risk management to target inspection coverage for Class II and Class Ill foreign medical device manufacturers at 7% of an estimated 2,500 firms. (15005.02)	FY 06: 7% FY 05: 7% FY 04: 9% FY 03: 9% FY 02: 9% FY 01: 9% FY 00: 9% FY 99: NA	FY 06: FY 05: FY 04: 12% of 2,500 FY 03: 9% of 2,500 FY 02: 8% of 2,550 FY 01: 11% of 2,418 FY 00: 11% of 2,370 FY 99: 10% of 2,080	**4**
14. Establish and maintain a quality system in the ORA Field Labs which meets the requirements of ISO 17025 (American Society for Crime Lab Directors for the Forensic Chemistry Center) and obtain accreditation by an internationally recognized accrediting body (American Association for Laboratory Accreditation). (11041)	FY 06: Achieve and maintain accreditation for 13 laboratories FY 05: Achieve and maintain accreditation for 6 laboratories FY 04: NA	FY 06: FY 05: FY 04: 2 labs accredited	**2** **Outcome Goal**

1. **Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk.** (11040)

- **Context of Goal:** FDA's Prior Notice Center was established in response to regulations promulgated in conjunction with the Public Health Security and Bioterrorism Preparedness Act of 2002 (BTA). Its mission is to identify imported food products that may be intentionally contaminated with biological, chemical, or radiological agents, or which may pose significant health risks to the American public, from entering into the U.S. In FY 2006, FDA will continue to focus much of its resources on intensive prior notice import security reviews of products that pose the highest potential bioterrorism

risks to the U.S. consumer. By FY 2006, FDA expects that the Prior Notice Center will have hired a permanent staff of Reviewers and Watch Commanders that will have achieved the training and gained the experience necessary to expand its scope of targeting to include additional threat parameters. The Prior Notice Center utilizes the import field exams and filer evaluations by receiving feedback from the Investigators who conduct them and targeting those individuals that continuously violate the prior notice regulations and the provisions set forth in the Bioterrorism Act. They also target commodities based on immediate and potential threats to the integrity and security of the intact food supply chain. In addition, broader surveillance of products imported from countries considered to be at a higher risk for terrorist activities can be incorporated into targeting goals. Strategies used to ensure effective targeting will include:

- Intelligence regarding countries at risk for terrorism;
- Intelligence regarding commodities susceptible to or exploited by terrorism;
- Intelligence specific to shipment or shipping entities;
- Information gleaned from Foreign and Domestic Establishment Inspection Reports that identify security breaches**;**
- Sample collection and analysis for counterterrorism;
- Prior Notice discrepancies reported during import field exams; and,
- Filer evaluation field audits.

FDA anticipates that the measures that it uses to assess its success in monitoring the safety and security of imported products will continuously evolve as trade practices and information about risks change**.**

- **Performance:** This goal is new for FY 2005 since the Bioterrorism Act became effective in December of 2003. In FY 2004, FDA collaborated with Customs and Border Protection to direct field personnel to hold and examine 20 suspect shipments of imported food; responded to 20,430 inquiries; and conducted 33,111 intensive security reviews of Prior Notice submissions out of 6,294,821 in order to intercept contaminated products before they entered the food supply.

  The import security reviews that are performed by the Prior Notice Center are performed on those prior notice submissions that are selected after intelligence, known risk factors and information available about the shipper and consignee are applied to the prior notice submission data. The selection of candidates for security review is not related to the volume of submissions; they are selected on the basis of risk factors. If threats are reduced, then it is possible for the number of security reviews to decline. One possible circumstance might be the suspension of imports from a country or countries whose potential imports trigger many security reviews. Another possibility could be dramatically increased numbers of reviews because of newly identified risk factors. The 38,000 estimate of the number of security reviews to be performed is simply an estimate based on the recent past. In today's risky environment, it may be well over or under, the number that will be performed. It is the quality of the targeting information and the quality of the review itself that provides the security, not the proportion of potential items selected for security review.
- **Data Sources:** Field Data Systems (OASIS and FACTS).

2. Perform 60,000 import food field exams on products with suspect histories. (19014)

- **Context of Goal:** The events of September 11, 2001 heightened the nation's awareness of security and placed a renewed emphasis on ensuring the safety of the nation's food supply. Import food field exams, along with laboratory analyses, were FDA's major tool to physically monitor import entries prior to the enactment of the Bioterrorism Act of 2002.

  A field examination is a visual examination of the product to determine whether the product is in compliance with FDA requirements and involves actual physical examination of the product for admissibility factors such as storage or in transit damage, inadequate refrigeration, rodent or insect activity, lead in dinnerware, odor and label compliance. A field exam cannot be used to test for microbiological or chemical contamination and must be supplemented with other activities.

  The volume of imported food shipments has been rising steadily in recent years, and this trend is likely to continue. FDA-regulated imports have been growing at a 19% annual rate. FDA anticipates 10 million line entries of imported food in Fiscal Year 2006 within a total of 15 million lines of FDA regulated entries. To manage this ever-increasing volume, FDA uses risk management strategies to achieve the greatest food protection with limited resources. Given the continuing explosion in the number of import shipments to this country, FDA cannot keep pace with the increasing volume by simply expanding the number of import field examinations.

  FDA applies strategies that combine visual inspection for apparent labeling and other visual defects, with risk based targeting, and selective laboratory analysis to detect chemical and microbiological hazards. FDA cannot rely solely on physical examination to reduce the potential risks from imported foods. Currently, a significant effort is underway to develop appropriate knowledge-based approaches that will give the Agency assurance that it is addressing the most serious risks. ORA continues to think that the best approach to improve the safety and security of food import lines is to devote resources to expand targeting and follow through on potentially high risk import entries rather than simply increasing the percentage of food import lines given a field exam.

  The Bioterrorism Act of 2002 provided FDA with new authorities to protect the nation's food supply against the threat of intentional contamination and other food-related emergencies. These new authorities improve our ability to act quickly to respond to a threatened or actual terrorist attack, as well as other food-related emergencies. The implementation of Prior Notice review of imported foods has provided FDA with a new tool for assessing the risks of imported food and added a new tool to improve the focus of import food risk assessment. Prior Notice Import Security Reviews are the subject of a new FDA field performance goal. In response to the heightened concern over the safety of imported products, FDA continues to make fundamental changes in how it makes entry decisions on imported foods. These new Prior Notice Import Security Reviews are just one example of the expanded targeting and follow through on potentially high risk import entries that FDA is developing to complement the import field exam.

  Because of the need to staff the Prior Notice Center, and the larger than anticipated pay increase in FY 2005, ORA will not be able to increase import field food exams in FY 2005 or FY 2006. The FY 2005 budget will allow the FDA to fund only 2,078 Field Food FTE which is 51 fewer FTE's than expected. As a result, the increase in FY 2005 funding will not allow for the hiring of additional FTE and the proposed increase in field exams will not take place. Therefore, the targets have been reduced.

- **Performance**: The FY 2002 performance was 600 new investigators and analysts hired and 34,447 import field exams conducted. This exceeded the FY 2002 target of 24,000 exams. In FY 2003, FDA completed 78,569 field examinations of imported food lines entering U.S. ports of entry for release into the U.S. commerce. The FY 2003 performance exceeded the 48,000 target because of activities supporting the Liberty Shield intensive review of imports. Regardless of the increase in exams, ORA continues to believe the best approach is to devote resources to better targeting and following through on suspect import entries rather than significantly expanding import coverage. In FY 2004, FDA completed 70,926 field examinations of imported food lines.
- **Data Sources**: Field Data Systems.

3. Perform at least 1,000 Filer Evaluations under new procedures. (19015)

- **Context of Goal:** Food and Drug Administration (FDA) receives electronic import entry data for assessing the admissibility of regulated imported articles. The accuracy of these data directly relates to the level of confidence that American consumers can expect in the quality, safety and compliance of imported articles subject to FDA's jurisdiction. Entry data affects FDA's determination of the labeling, quality, safety, approval status and efficacy of FDA-regulated import articles.
  FDA maintains an electronic interface with the Department of Homeland Security's Bureau of Customs and Border Protection (CBP), the Automated Commercial System (ACS). After successfully completing an initial evaluation for participation in OASIS, filers may submit import data electronically to FDA through the Automated Broker Interface (ABI) and ACS. FDA uses an electronic entry screening system, Operational and Administrative System for Import Support (OASIS), to screen entry data transmitted by filers to perform various regulatory and service functions. Such screening may assess whether FDA import personnel should review an entry further. The FDA uses OASIS to determine whether an entry should be reviewed 'on screen,' further supported by entry documentation, physically inspected, sampled, or permitted to proceed into domestic commerce without further evaluation. FDA can use the data in the entry system to track an imported item that negatively affected the public health.
  At a minimum, this procedure requires filers who fail an evaluation to implement an FDA-approved Corrective Action Plan (CAP) and to pass a tightened evaluation (more stringent criteria) before obtaining, maintaining or regaining the privilege of paperless filing. This protects public health by insuring quality improvement and reporting compliance for imported articles that FDA regulates. It also ensures FDA is notified when articles appear to be violative that have previously been offered for entry.
  During FY 2003 ORA continued to develop the policies and practices that govern the monitoring of filers. Expanded Import activities supporting project Liberty Shield increased FDA's understanding of the problems associated with appropriate monitoring of Filer activities. During FY 2004 FDA will continue to develop and apply methods to evaluate filer accuracy that are consistent with evolving security and import regulation practices.
- **Performance:** In FY 2004, FDA performed 1,745 filer evaluations. For FY 2005, FDA has drafted a new version of the filer evaluation that is currently under review in the Agency. This version of filer evaluation practices substantially is modified to reflect

increasing needs to assess data integrity. Due to this modified practice the time it takes to do a filer evaluation will more than likely increase dramatically which will impact the number of filer evaluations completed in FY 2005 and FY 2006.
This goal is an agency wide goal and performance data will include activities from all five program areas. The majority of the performance and resources are from the Foods program so this goal is shown in the Field Foods section for illustrative purposes.

- **Data Sources:** Field Data Systems

4. **Conduct 2,000 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA are being exported.** (19016)

- **Context of Goal:** In FY 2001 FDA refused about 18,000 products offered for import entry into the U.S. Because of safety and security concerns it is important for FDA to be sure that these goods do not slip into domestic commerce but are in fact sent out of the country. FDA monitors this activity in conjunction with Customs in a category of action described as follow up to refusals.
  If a product is refused admission, it must be destroyed or exported under Customs' supervision within 90 days of receiving the Notice of Refusal. FDA is responsible for the protection of the U.S. public regarding foods, drugs, devices, electronic products and cosmetics, and that responsibility exists until the violative article is either destroyed or exported. Although primary responsibility for supervising destruction or exportation rests with the Bureau of Customs and Border Protection (CBP), FDA monitors the disposition of refused shipments and maintains an open file until the product is exported is exported or destroyed. In cooperation with CBP, FDA will, at times, supervise destruction or examine products prior to export in order to ensure that the refused product is actually exported. In other cases FDA relies on notification from CBP that the refused product has been destroyed or exported. During FY 2004, FDA will continue to develop the policies and practices that will govern the monitoring of the export of refused goods, and issue assignments that are designed to refine practices and assess the amount of time that is required to perform these evaluations. FDA will also implement an interim way to count these events. FDA will integrate the collection of data on the export of refused entries into field data systems as the systems are upgraded. ORA and the product Centers will identify product categories and charged violation combinations that represent the greatest risk to consumers to develop a risk-based strategy for targeting exports of refused shipments for supervision and tracking.
- **Performance:** In FY 2004, FDA performed 4,905 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA were being exported. This goal is an agency wide goal and performance data will include activities from all five program areas.
- **Data Sources:** Field Data Systems

5. **Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities with the objective of reducing the health risks associated with food, cosmetics and dietary supplements products.** (Target: Inspect 95% of estimated 6,800 high-risk domestic food establishments once every year.) (11020)

- **Context of Goal:** FDA applies a risk based strategy to the inspection of the food establishments in its inventory. High risk foods refer to those that may contain hazards that have a high potential for causing serious adverse health consequences that would result in FDA Class I recalls. These include foods that may contain bacterial or viral pathogens, biological toxins, allergenic substances, bovine spongiform encephalopathy (BSE) infective materials, as well as foods such as infant formula and medical foods due to a potential hazard from the omission or improper fortification of the nutritive ingredients.
  High risk establishments are manufacturers, packers and repackers of foods processing products that include: modified atmosphere packaged products; acidified and low acid canned foods; seafood; custard filled bakery products; soft, semi-soft, soft ripened cheese and cheese products; un pasteurized juices; sprouts or processed leafy vegetables; fresh vegetables shredded for salads and processed root and tuber vegetables; sandwiches; prepared salads; infant formula; and medical foods. Additional high-risk products have been identified in recent years include establishments that manufacture a product that may contain a commonly allergenic substance (milk, eggs, fish, crustaceans, tree nuts, peanuts or soybeans), and dietary supplements that may contain bovine derived ingredients from BSE countries identified in the USDA regulation (9 CFR 94.18).
  Excluded from high risk are the non high risk establishments. These establishments include non-refrigerated warehouses, growers, and dealers, as well as establishments that sell with no product manipulation such as shippers and labelers.
  The FDA inventory of high risk establishments is dynamic and subject to change. Changes in the inventory can occur (1) because establishments go in and out of business, (2) establishments either no longer make high risk foods, or begin production of high risk foods, (3) establishments that either enter or withdraw from interstate commerce, and new establishments entering the market place and have not been previously inspected, (4) FDA establishes new rules to reduce emerging microbial hazards or expands existing programs, (5) the underlying scientific information and understanding may help target the source of the hazard and thereby change number and types of firms and (6) data received from the Food Registration database
  High risk inspection frequencies vary depending on the products produced and the nature of the establishment. Inspection priorities may be based on a firm's compliance history. As an example, establishments will be subject to differing inspection intervals within this inspection strategy just as Low Acid Canned Food establishments have a varying inspection cycle based on risk within the current strategy**.** Because domestic Low Acid canned food manufacturers have a long history of exemplary compliance with FDA's good manufacturing practices and individual establishments effectively monitor their individual processing procedures, FDA believes that these establishments need to be inspected only once every three years.
  The current high risk strategy considers food hazard information from various sources such as outbreaks, recalls, and consumer complaints as well as food analysis, epidemiological data, inspectional data and formal risk assessments. This information will be used to update currently listed commodities and establishments as well as the overall high risk inventory of firms. Indeed, the FY 2005 and FY 2006 high risk inventory of firms is estimated to be at approximately 6,800 firms. This decrease from previous years reflects the current high risk strategy employed by FDA and the change in

the status of inspection intervals for certain establishments such as cheese and LACF firms which have achieved a high level of compliance that no longer warrants an inspection interval of once or even twice a year.
As an example, FDA recently completed a risk assessment of 26 ready-to-eat foods for listeriosis from the pathogen *Listeria monocytogenes*. This assessment ranked risk into categories from very high to low dependant on estimated risk per serving and on an annual basis. There are also foods that contribute to foodborne disease that are not ready to eat such as shell eggs and certain produce items that have caused outbreaks and are under evaluation.
Important features of this strategy will be reducing the occurrence of illness and death by focusing resources on manufacturing establishments and other industry components that have the greatest potential for greatest risk. This will result in different inspection frequencies as establishment processes come under control and present less risk or as new risks are identified. This strategy will also allow FDA to better address and communicate to our stakeholders about food safety risks.
As an added effort in the area of high-risk foods, FDA will determine the occurrence of the 5 CDC-identified foodborne illness risk factors and environmental risk factors in the inventory of the regulated Interstate Travel Conveyance facilities, in order to establish a reduction in foodborne illnesses over time. Interstate Travel Conveyance facilities serve 900 million meals and snacks annually. FDA's efforts will include the inspection of food and environmental facilities, such as water, wastewater and solid wastes in airline, train, bus and cruise ship airports, hubs, stations and port facilities. In FY 2004, FDA will develop a baseline data collection project that will include developing forms, a statistical validity assessment, development of a sampling plan, conduct training, provide technical support, establish a pilot study and revise the baseline project as needed. Additionally, FDA will inspect 95 percent of the official establishment inventory (OEI) of the regulated Interstate Travel Conveyance facilities to collect the baseline data. These data collection activities would include the inspection of these high-risk facilities.

- **Performance:** In FY 2000, the number of high-risk food inspections was approximately 5,700 or 91% of the identified possible inventory of high-risk product/process domestic firms. In FY 2001, the Agency accomplished 78% of the identified possible 6,800 inventory of high-risk product/process domestic firms. The reason FDA fell short of achieving this goal was because the Agency had to concentrate its resources and focus on an even greater threat of BSE that was breaking out in Europe at the time.
In FY 2002, FDA conducted 6,784 domestic inspections of firms that produce "high risk" foods (through ORA and the states, under FDA auspices). This exceeded FDA's goal to annually inspect 95% of the estimated 7,000 "high risk" domestic food establishments.
In FY 2003, FDA conducted 7,363 domestic inspections of firms that produce "high risk" foods (through FDA's Office of Regulatory Affairs and the States, under FDA auspices). This exceeds the goal to annually inspect 95% of the estimated 7,000 "high risk" domestic food establishments. The field performed more high risk inspections than the target because of changes in the risk category of firms between the time that the inventory was calculated and the inspection was conducted. The food firm inventory and firm risk categories change even when the overall totals appear stable. The field often needs to perform more firm inspections than the target to be sure of meeting the high risk

target. In FY 2004, FDA performed 7,597 inspections of high-risk domestic food establishments.

- **Data Sources:** Field Data Systems

6. **Maintain current level of monitoring for pesticides and environmental contaminants in foods through the collection and analysis of a targeted cohort of 8,000 samples**. (11027)

- **Context of Goal:** Three federal government agencies share responsibility for the regulation of pesticides. The Environmental Protection Agency (EPA) registers and approves the use of pesticides and sets tolerances (the maximum amount of residue that is permitted in or on a food if use of that particular pesticide may result in residues in or on food). The USDA's Food Safety and Inspection Service (FSIS) is responsible for enforcing tolerances in meat, poultry, and certain egg products. FDA is charged with enforcing tolerances in imported foods and in domestically produced foods shipped in interstate commerce. FDA also acquires data on particular commodity/pesticide combinations and carries out its market basket survey, called the Total Diet Study (TDS). In conducting the Total Diet Study, FDA personnel purchase foods from retail outlets four times a year, once from each of four geographic regions of the country. The foods are prepared table-ready and then analyzed for pesticide residues and environmental contaminants. The levels of pesticides found will be used in conjunction with USDA food consumption data to estimate the dietary intake of the pesticide residues.
  Under the regulatory monitoring program, FDA samples individual lots of domestically produced and imported foods and analyzes them for pesticide residues to enforce the tolerances set by EPA. Domestic samples are collected as close as possible to the point of production in the distribution system; Import samples are collected at the point of entry into U.S. commerce. FDA's pesticide program focuses its efforts on raw agricultural products which are analyzed as the unwashed, whole (unpeeled), raw commodity. Processed foods are also included. If illegal residues (those that are above EPA tolerances) are found in domestic samples, FDA can invoke various sanctions, such as a seizure or injunction. For imports, shipments may be stopped at the port of entry when illegal residues are found. "Detention without physical examination" may be invoked for imports based on the finding of one violative shipment if there is reason to believe that the same situation will exist in future lots during the same shipping season for a specific shipper, grower, geographic areas, or country.
  Personnel in FDA Field offices interact with their counterparts in many states to increase FDA's effectiveness in pesticide residue monitoring. In many cases, Memoranda of Understanding or more formal Partnership Agreements have been established between FDA and various state agencies. These agreements provide for more efficient monitoring by broadening coverage and eliminating duplication of effort, thereby maximizing federal and state resources allocated for pesticide activities.
  In planning the types and numbers of samples to collect, FDA considers several factors. These factors include: recently generated state and FDA residue data, regional intelligence on pesticide use, dietary importance of the food, information on the amount of domestic food that enters interstate commerce and of imported food, chemical

characteristics and toxicity of the pesticide, and production volume/pesticide usage patterns.

- **Performance:** FY 1998 - 8,500 samples (3,600 domestic and 4,900 imports); FY 1999 - 9,400 samples (3,400 domestic and 6,000 imports); FY 2000 - 7,400 samples (2,500 domestic and 4,900 imports).
  In FY 2001, actual performances for pesticide residues and chemical contaminants monitoring was 8,250 (7,600 for pesticide residues including 1,100 TDS and 650 dioxin including 250 TDS). This figure is slightly higher than the figure the Center previously reported as it contains a more accurate accounting of the total number of samples monitored under our regulatory monitoring program and our Total Diet Study program. Thus, FDA analyzed 7,600 samples for pesticide residues which includes 1,100 samples collected for the Total Diet Study. TDS analyzed for pesticide residues and other chemical contaminants in foods consumed by infants and children. The Total Diet Study is a major element of FDA's pesticide residue monitoring program. Some of the samples collected under the Total Diet Study have also been monitored for dioxins in the past couple of years and, possibly, for other chemical contaminants as well. Therefore, the samples collected for the TDS analyzed for pesticide residues and other chemical contaminants should be counted as "actual performances" under the "pesticides and environmental contaminants". The total number of samples analyzed for dioxins was 650 for a total actual performance of 8,250. FDA must maintain resource levels devoted to the sampling and analyses of pesticide and environmental contaminants, specifically dioxin, not only to ensure that the U.S. food supply is safe, but also to reduce dietary exposure. In FY 2002, FDA collected and analyzed 10,700 food samples to monitor for pesticides and environmental contaminants. This exceeded FDA's goal to collect and analyze 8,000 samples.
  In FY 2003, FDA collected and analyzed 11,331 food samples for pesticides and chemical contaminants. Our goal was to complete 8000 samples by the end of FY 2003. FDA exceeded its goal by 3,331 at 142% of our intended target.
  In FY 2004, FDA collected and analyzed 12,682 food samples for pesticides and chemical contaminants.
- **Data Sources:** FACTS, CFSAN website

7. Expand federal/state/local involvement in FDA's eLEXNET system by having 105 laboratories submit data in the system. (19013)

- **Context of Goal:** The electronic Laboratory Exchange Network (eLEXNET) is a seamless, integrated, secure network that allows multiple agencies (Federal, state and local health laboratories on a voluntary basis) engaged in food safety activities to compare, communicate, and coordinate findings of laboratory analyses. eLEXNET enables health officials to assess risks, analyze trends and provides the necessary infrastructure for an early-warning system that identifies potentially hazardous foods. eLEXNET plays a crucial role in the Nation's food testing laboratory system and is an integral component of the Nation's overall public health laboratory information system. Beginning in FY 05 and continuing in FY 06, the eLEXNET program will focus on strengthening existing programmatic activities to build eLEXNET capabilities to better

handle its new uses and to meet the growing demands on the system. These activities include:

- Increased security--the eLEXNET program is the primary communication tool for the Food Emergency Response Network (FERN), a network of federal, state, and local food testing laboratories that will respond in the event of a terrorist incident involving the Nation's food supply and will be handling information on methods of sample analyses and reporting of analytical results. As such, eLEXNET must continue to expand its security infrastructure to support the needs of the FERN. This includes enabling the program to communicate with the Department of Homeland Security to feed into their early alert system.
- Quality—as the number of labs contributing to eLEXNET increases; it becomes increasingly difficult to ensure the quality of the data being entered. In view of the importance that DHS and the National Security Council are placing on this program, ensuring data quality and integrity is vital. In addition, the program must continue to increase its ability to communicate seamlessly and flawlessly with other early alert systems using national data standards. The infrastructure of the eLEXNET program must be strengthened to support the increased scrutiny its data is undergoing.
- Outreach—eLEXNET is a storehouse of useful and timely data that enables health officials to make assessments regarding trends and risks and provides the infrastructure for an early-warning system that identifies hazardous foods. However, the program must increase its outreach to the proper officials to ensure the data system is being used to make good decisions about sampling plans and risk assessments.
- Expansion into international partnerships and strengthening those that are already being formed with Canada and Mexico through the Trilateral Agreement will result in a continent-wide food security network. Developing relationships, performing the assessments, integrating systems, training staff, and piloting their inclusion into eLEXNET will require a significant expenditure of time and resources for each individual international partner.

- **Performance:** Performance is measured by the number of laboratories submitting data into the eLEXNET system. eLEXNET was released as a proof-of-concept system in FY 2001 to 14 laboratories (7 regional FDA, one regional USDA, and 6 state and local agriculture and public health laboratories). The eLEXNET partnership included 55 laboratories submitting data to the system at the end of FY 2003. In FY 2004, FDA met the goal of 79 laboratories, despite a 50% reduction in funds. To achieve the goal, FDA concentrated available funds on meeting this target number of laboratories. Meeting this goal came at the expense of funding necessary enhancements and changes to the system that would further the usability and functionality of eLEXNET. The FY 2005 goal was revised to reflect the challenges produced by the FY 2004 cuts. Assuming uninterrupted funding, we can project bringing on another 16 labs during FY 2005, bringing the total goal for FY 2005 to 95 participating labs. FY 2006 goals will reflect the refocusing of the program, with a total goal of 105 participating labs.
- **Data Source:** ORA will track the number of participating eLEXNET laboratories.

8. **Increase risk-based compliance and enforcement activities to ensure product quality.** (Formerly: Inspect 55% of registered high-risk human drug manufacturers.) (12020)

- **Context of Goal:** This goal has been expanded to provide a broader perspective for drug compliance activities. Over the last few years, FDA has conducted a major effort to bring a 21st Century focus to the regulation of pharmaceutical manufacturing and product quality by providing high quality, cost-effective oversight of industry manufacturing, processing and distribution. FDA focuses on product quality standards and compliance by manufacturers with the GMP regulations to ensure that the highest possible quality products are marketed. We ensure the latest technological advances are encouraged, including application of the requirements of Part 11 regulations.
  Our staff provides inspection assessments of conformance with current good manufacturing practice requirements for self correction and improvement of operations, and we assist Industry in voluntary recalls of products from the market and in the investigation, evaluation, and corrections of the conditions and practices which led to the recalls. We provide certificates of conformance with current good manufacturing practice by the Industry for use in facilitating export of US pharmaceutical production to countries with limited regulatory systems, and we provide consultation to industry and coordination of FDA program activities to alleviate drug shortages in the US market.
  The target for FY 2006 continues the trend of measuring performance toward inspecting high-risk establishments. Earlier, as a part of the Pharmaceutical GMPs for the 21st Century initiative, FDA changed the performance target for manufacturing inspections from 20 percent of all drug establishments to 55 percent of high risk establishments. This change demonstrated implementation of a risk-based approach that focuses scarce inspectional resources on drug establishments where FDA intervention is likely to achieve the greatest public health impact. This approach will encourage more inspections at drug establishments where FDA can intervene to address or prevent manufacturing problems that would have the most significant adverse effect on drug safety and effectiveness. This goal measures performance for the inventory of registered domestic drug establishments which operate under high risk conditions. In fiscal year (FY) 2003, FDA, using a basic risk management approach, identified three categories of potentially higher-risk pharmaceutical manufacturing sites for prioritizing inspections: sites making sterile drugs; sites making prescription drugs, and sites of new registrants not previously inspected by FDA. In FY 2004, FDA will continue to modify the list of 'high risk' firms based on lessons learned from the FY 2003 approach. Additionally, FDA will continue to develop a more quantitative risk model to help predict where FDA's inspections are most likely to achieve the greatest public health impact for FY 2005.
  In addition, FDA will continue to develop a more quantitative risk model to help predict where FDA's inspections are most likely to achieve the greatest public health impact for FY 2005. This new risk model may cause a significant change in the FY 2006 inventory. The model will help the Agency predict where its inspections are most likely to achieve the greatest public health impact. The model will include risk factors relating to the facility such as compliance history and to the type of drugs manufactured at the facility. The model will also include risk factors relating to the manufacturing processes and the level of process understanding.

- **Performance:** In FY 2003, FDA began implementing several risk management strategies, and changed the focus of this goal to concentrate on "high risk" inspections. In FY 2003, FDA exceeded the goal, despite a large and unforeseen increase in the number of high- risk firms. FDA conducted 584 inspections of 971 registered high risk drug firms (including medical gas manufacturers), exceeding the number of planned inspections by nearly 200. The inventory of high risk firms increased for several reasons. Additional high-risk drug firms were identified throughout the year. There was also an increase in the number of initial registrants that had to be inspected. Since most initial registrants are not considered high-risk after their first inspection (repackers, relabelers, control labs), FDA does not expect most of these firms to be included in the FY 2004 high risk inventory. FDA also has decided not to include medical gas manufacturers as "high risk" firms in future years, though they were counted in the FY 2003 high risk inventory. Although the target for FY 2004 and 2005 is still 55%, this remains a challenging goal because of the increasing inventory, as well as an increase in the difficulty of those inspections. In FY 2004, performed 481 inspections of high- risk drug firms.
  There was no high- risk coverage percentage established in FY 2002, although FDA did meet its FY 2002 goal of inspecting 20% of registered human drug manufacturers, repackers, relabelers and medical gas repackers. In FY 2002, FDA inspected 23% of 6,698 total firms (~1,540 inspections).
- **Data Sources:** The inventory of high- risk drug establishments is based on compliance status reports developed from the Field Accomplish and Compliance Tracking System (FACTS) and is augmented by a list of targeted establishments generated by the CDER, based on their judgment of those establishments that meet the high risk criteria defined above.

9. Meet the biennial inspection statutory requirement by inspecting 50% of the approximately 2,700 registered blood banks, source plasma operations and biologics manufacturing establishments to reduce the risk of product contamination. (13012)

- **Context of Goal:** This includes inspections done by FDA directly, or through state contracts or partnership agreements. The law requires FDA to conduct inspections of certain manufacturing facilities once every two years. The inspections are conducted to ensure compliance with Current Good Manufacturing Practices (CGMPs), and ensure the purity of the biological products. There are currently an estimated 2,700 establishments in the Biologics Program inventory covered under this statute. The establishments include high-risk establishments such as blood collection facilities, plasma fractionator establishments and vaccine manufacturing establishments. There are 1,665 additional establishments in the Biologics Program inventory not covered under this statute.
- **Performance:** In FY 2004, FDA inspected 55% of the 2,648 establishments. In FY 2003, FDA inspected 60% of the 2,662 establishments in the Official Establishment Inventory, exceeding the goal of 50%.
- **Data Sources:** Program-Oriented Data System, Official Establishment Inventory.

10. Ensure the safety of marketed animal drugs and animal feeds by conducting appropriate and effective surveillance and monitoring activities. (14009)

- **Context of Goal:** As of FY 2005, this goal has been revised to reflect a comprehensive display of the performance and cost of CVM field surveillance and compliance work. FDA exercises considerable discretion regarding the frequency and comprehensiveness of inspections. The Animal Drugs and Feeds Program statutory obligation requires inspection of all regulated animal drug and medicated feed establishments once every two years. Routine inspections have lower priority than inspection of firms producing high profile products. This has an impact on the pre-approval process that requires a "recent" inspection before approval of a new animal drug. This includes inspections done by FDA directly, or through state contracts or partnership agreements on manufacturers, repackers and relabelers (drugs), and manufacturers and growers requiring a Medicated Feed Mill License.

  FDA has also sought to protect the public through the development of a comprehensive strategy of education, inspection and enforcement action on industry. These activities were initiated to ensure compliance with the Bovine Spongiform Encephalopathy (BSE) feed regulations. Using an inventory of all known renderers and feed mills processing products containing prohibited material, FDA will continue to conduct inspections to determine compliance with the BSE feed rule. Inventories of these firms may vary from year to year based on changes at the firm such as consolidations, business closures, relocations, etc. FDA will continue to update and improve the inventory of firms with information from the mandatory feed registration system, from states and other sources. The estimated inventory number of renders and feed mills processing products containing prohibited materials is 570 for FY 05 and FY 06. The FY 05 BSE funding increase will primarily support funding of state BSE inspections, on-farm BSE inspections, and BSE monitoring and control infrastructure grants so that the states can perform an additional 2,500 inspections, improve state and federal information on the inventory of animal feed firms and firms handling prohibited materials, and strengthen state infrastructure to monitor, and respond to potential feed contamination with prohibited materials.
- **Performance:** FY 99 = 25%; FY 00 = 39%; FY 01 = 37%; FY 02 = 55%; FY 03 = 58.8%. FY 04 = 55%. In FY 99, 25% of registered animal drug and feed establishments were inspected. The FY 1999 actual performance fell short of the 27% target based on the fact that the initial inspection percentages were estimates, due to the complexity and number of inspections, and re-inspections. In FY 2000, FDA inspected 39% of the establishments in the Official Establishment Inventory, exceeding the goal of 27%. Due to a few problems resulting from the transition to a new database (FIS to FACTS) in FY 2000, some adjustments in counting the inventory and inspectional coverage were necessary.

  In FY 2001, the program accomplished 37% biennial inspection coverage of registered animal drug and feed establishments. In FY 2001 the goal was not met due to the increase in reported cases of BSE in Europe, in FY 2001 FDA concentrated its efforts on performing BSE inspections in the U.S. This intense inspection effort was intended to prevent an outbreak of BSE in the U.S by completing 100% inspection of all firms. In FY 2002 and FY 2003 respectively, FDA inspected 55% and 58.8% of registered animal drug and feed establishments. In FY 2004, FDA inspected 55% of registered animal drug and feed establishments.

FDA's regulation 21 CFR 589.2000 (Animal Proteins Prohibited From Use in Animal Feed) became fully effective August 4, 1997. The purpose of the regulation is to prevent the establishment and amplification of BSE through animal feed. The regulation prohibits the use of certain proteins derived from mammalian tissue in feeding to ruminant animals. FDA has developed a three-pronged approach in its efforts to realize 100% compliance with the 1997 feed rule—education, a strong and visible inspection presence, and enforcement action. Due to the increase in reported cases of BSE in Europe, in FY 2001 FDA concentrated its efforts on performing BSE inspections in the U.S. This intense inspection effort was intended to prevent an outbreak of BSE in the U.S by completing 100% inspection of all firms. Performance was achieved in FY 2002, FY 2003, and FY 2004. The goal was revised in FY 03 to reflect FDA's focus on inspection of firms which process products containing prohibited material.

- **Data Sources:** Field Accomplishment Compliance Tracking System (FACTS) [formerly known as the Program Oriented Data System (PODS)], Official Establishment Inventory.

11. **Conduct 295 domestic and foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations**. (15025)

- **Context of Goal**: In FY 2006, FDA plans to conduct 295 BIMO Inspections. Traditionally, CDRH BIMO's approach to inspections has been focused on data audits of Pre-Market Approval (PMA) applications. This approach has been successful in that we have been able to provide the review divisions a validation of the data submitted in marketing applications. However, these inspections are retrospective and have very little impact on ongoing clinical trials. In addition, compliance rates over the past several years have changed minimally. The intent of the description included in the BIMO Goal Statement is to reflect that FDA is assigning more inspections earlier in the process, during the investigational device exemption (IDE) phase. The agency hopes to have a greater impact by identifying systemic problems and focusing on exploitable or vulnerable populations. The focus of these types of inspections is process, the informed consent, IRB review and approval, data monitoring, and data collection rather than data verification. CDRH has approximately 1000 active Investigational Device Exemptions (IDEs) of high-risk investigational devices (e.g., artificial hearts, drug eluting stents). CDRH is interested in expanding our presence with the regulated industry through a risk-based inspection strategy. This strategy places more emphasis on (1) the detection of scientific misconduct, (2) data auditing and validation to support the device review process (greater importance on time constraints of MDUFMA and studies relying principally on foreign data), (3) innovative devices with high public health impact, and (4) vulnerable populations (elderly, minorities, pediatrics, etc.).
- **Performance:** In FY 2004, FDA conducted 354 inspections. In FY 2003, FDA met its goal of conducting 364 inspections. This goal was a new reporting commitment in FY 2002, and FDA met this goal by conducting 358 inspections. In FY 2001, 238 BIMO inspections were conducted.
- **Data Sources:** CDRH Field Data Systems.

12. Utilize Risk management to target inspection coverage for Class II and Class III domestic medical device manufacturers at 20 percent of an estimated 5,540 firms. (15005.01)

- **Context of Goal:** This goal includes inspections done by FDA directly, or through state contracts or partnership agreements on Class II and Ill domestic medical device manufacturers. It does not include any inspections conducted under the Inspection by Accredited Persons Program. Class II and Ill manufacturers are required by statute to be inspected at least once every two years. The inventory of Class II and III medical device firms is estimated at 5,540 by FY 2005. During FY 2002, the Center has developed an estimated inventory of 1,009 High/Significant Risk devices based largely on the Center's established critical device list. These high/significant risk devices (e.g., Cardiovascular Heart Valves) have been targeted for inspections in FY 2004. Reuse inspections have been incorporated into the domestic high/significant risk inventory. FDA plans to conduct 100 reuse hospital inspections in FY 2004, and these will need to be conducted with base resources. During FY 2003, inspections will be reserved for those hospitals reprocessing higher risk Class II and III devices. The approximately 4,000 Class I lower risk domestic firms will not be inspected on a routine basis: only "for cause" to follow up on problems identified in recalls or reported by the public.
- **Performance:** FDA exceeded its FY 2004 performance goal by inspecting 1,414 or 25% of 5,576 domestic high risk Class II and Class III medical device manufacturers. FDA met its FY 2003 performance goal by inspecting 1428 or 26% of approximately 5,401 domestic high risk Class II and Class III medical device manufacturers. In FY 2002, FDA met its performance target by inspecting 1062, or 20 percent, of approximately 5,300 domestic high risk Class II and Class III medical device manufacturers. FDA's statutory performance requirement is 50 percent. With the exception of those inspected for cause, many manufacturers of low risk Class I devices have never been inspected. To develop a better understanding of their compliance rate a small number of such firms were inspected.

  Medical devices comprise a wide array of products that have become medically and technologically more complex. While the medical device industry is growing and revolutionizing, FDA's inspection coverage is not keeping pace with the new device firms, and domestic recall rates are increasing. Medical devices and radiological health inspection resources have been reduced by more than 23 percent since FY 1995 and these resource limitations have put coverage below critical mass.

  FDAMA exempts many lower risk devices from pre-market approval, and relies instead on postmarket quality systems conformance. Firms may declare conformity to standards or quality systems requirements as part of streamlining premarket clearance. However, FDA will be unable to routinely monitor quality systems conformance for lower risk firms.
- **Data Sources:** CDRH Field Data Systems.

13. Utilize Risk management to target inspection coverage for Class II and Class III foreign medical device manufacturers at 7 percent of an estimated 2,500 firms. (15005.02)

- **Context of Goal:** Inspection coverage is expected to be 9 percent in FY 2004 and 7 percent in FY 2005 and FY 2006. FY 2005 and FY 2006 targets are 7 percent due to resource constraints on funding for foreign inspections. The approximately 2,500 Class I lower risk foreign manufacturers will not be routinely inspected, only for cause. This goal includes joint inspections of high-risk device manufacturers with European Union Conformance Assessment Bodies although implementation of the Mutual Recognition Agreement with the EU has not been as successful as anticipated. To date, less than 25 percent of the several hundred foreign manufacturers contacted have agreed to participate in the MRA Inspection Program. Most choose not to participate but cite a preference for an FDA inspection. In the long term, if the MRA is successfully implemented, it could reduce the number of foreign firms that FDA will need to inspect. FDA supports 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. The web site is: http://www.fda.gov/cdrh/mra/index.html.
- **Performance:** FDA exceeded its FY 2004 performance goal by inspecting 295 or 12% of approximately 2,500 manufacturers. The agency met its FY 2003 performance goal by inspecting 225 or 9% of approximately 2,500 of registered foreign Class II and Class III Medical Device manufacturers. FDA almost met its FY 2002 performance goal of inspecting 9 percent of registered foreign Class II and Class III Medical Device manufacturers. In FY 2002, FDA's foreign inspection rate was 8 percent and 200 inspections were conducted compared to 266 inspections conducted in FY 2001. FDA did not reach the 9% coverage goal since the international climate post '9/11/01' adversely impacted foreign travel. The compliance program is focused on the improvement of enforcement actions by redirecting current resources to high-risk devices such as implants.
- **Data Sources:** CDRH Field Data Systems.

14. Establish and maintain a quality system in the ORA Field Labs which meets the requirements of ISO 17025 (ASCLD for FCC) and obtain accreditation by an internationally recognized accrediting body. (11041)

- **Context of Goal**: FDA is a science based agency that depends on its regulatory laboratories for timely, accurate, and defensible analytical results in meeting its consumer protection mandate. Our laboratories have enjoyed a long history of excellence in science upon which the agency has built its reputation as a leading regulatory authority in the world health community. Accreditation of laboratory quality management systems will provide a mechanism for harmonizing and strengthening processes and procedures, thereby improving the quality of operations and the reliability of FDA's science.
  The testing and calibration laboratory community has accepted the international standard ISO 17025 "General requirements for the competence of testing and calibration laboratories" as the gold standard for assessing the competence of laboratories to produce technically valid data and results. A global network has formed so that the results from accredited laboratories are mutually accepted. In many technical sectors, accreditation to ISO 17025 has become a requirement for doing business. This applies equally to laboratories in government, academia, and private industry.

FDA's laboratories currently operate under a variety of formal and informal quality management systems. All of these systems have the same aim – to assure the quality of laboratory results upon which regulatory decisions are made. However, these systems differ in their rigor and in the amount of independent oversight exercised. An FDA quality management system that is accredited to international standards will enable our managers to better maintain high quality laboratory operations, to more easily control resources, and to act with more confidence in meeting the needs of their customers and stakeholders. More effective operations will result in greater regulatory impact and better consumer protection. Uniform laboratory procedures will enhance data reliability and resource sharing with our domestic and international partners.

FDA's quality management systems include risk management principles. Since laboratories receive accreditation for specific test technologies or methods, we will use risk assessment tools to determine which test technologies and/or methods will be accredited. The quality management system incorporates risk management in targeting resources and controlling processes on an ongoing basis. Targeted resources result in laboratories equipped to respond to national emergencies, food-borne outbreaks, and emerging analytical problems. Controlled processes result in documented procedures and activities that withstand domestic and international scrutiny.

Through laboratory accreditation, FDA will maintain its reputation as a source of scientifically sound information and guidance. Other known benefits of quality systems include preservation of institutional knowledge and increased employee satisfaction and retention. Over the long term, the quality management system implemented in FDA laboratories can serve as a model for managing other FDA regulatory and business processes.

The thirteen ORA Field Laboratories are currently implementing a new quality system in accordance with the updated Laboratory Manual that issued in August 2003. The manual was written to accommodate the requirements of *ISO 17025 – General requirements for the competence of testing and calibration laboratories and other changes in our regulatory policies and procedures*. ORA selected The American Association for Laboratory Accreditation (A2LA) as the accrediting body on the strength of its experience and its recognition by the international accrediting community. The Forensic Chemistry Center has elected to use the American Society of Crime Lab Directors (ASCLD) as its accrediting body because of their unique mission.

Laboratory accreditation is an important commitment by FDA. It recognizes the need for our laboratories to have international recognition and parity; share data and other information of other accredited labs around the world; share a common set of policies and procedures in improving operations and uniformity; and, provide excellent work products that are defensible and consistent. With accredited laboratories, the credibility of FDA's analytical results will be greatly enhanced, both nationally and internationally. The reliability of data is critical in facilitating the sharing of data and in FDA and our partners being willing and able to take regulatory actions without duplicating the analyses.

Summary of Accreditation Process: Each FDA laboratory must be accredited independently based on its own program work, laboratory capabilities, and personnel competences – based on uniform guidance provided by the recently updated ORA Laboratory Manual. Each laboratory goes through four steps: (1) create required procedures and work instructions; (2) implement the quality system and train staff; (3)

perform internal pre-audit; and, (4) apply for final assessment. The entire process normally takes 3 to 5 years to complete. ORA can significantly reduce this time by sharing procedures, work instructions and forms among labs doing similar work. Modifications in several of its on-going programs, such as the National Check Sample Program, have been made to meet the proficiency testing requirements of the standard. Additional support will be needed to continue to meet the requirements for equipment qualification and calibration as well as data storage and retrieval.

Annual Accreditation Maintenance Requirements: In order to perform the required audits and reviews, the quality system must be in place and operating – generating records according to the requirements established in the quality manual entitled, "ORA Laboratory Manual." As the system is developed and put in place, the staff must be trained on the new procedures and what is expected of each person. This training must be documented. Part of the final assessment includes one-on-one interviews with the staff to discuss "how they perform their work;" "what is required by the quality system"; and, "why."

Maintenance of Laboratory Accreditation in the out-years includes an initial re-assessment at the end of one year to ensure that the ORA Laboratory is still complying with the requirements of the quality system. After that, the accrediting body will complete a bi-annual assessment on the ORA Laboratory. There is also a requirement for a documented management review meeting to assess the findings of the internal audit and to review the overall operations of the laboratory.

- **Performance**: This goal is new for FY 2005. However, the Denver District Laboratory has been accredited according to ISO 17025 and requires ongoing maintenance of accreditation activities. The Forensic Chemistry Center (FCC) is awaiting final disposition of its application; and, four additional laboratories have completed the internal pre-audit process.
- **Data Sources**: Field Data Systems.

Other Activities Performance Goals

Performance Goals	Targets	Actual Performance	Reference
1. Reduce the number of review levels in the Agency to help streamline operations. (19001)	FY 06: NA FY 05: NA FY 04: ORA to be completed by the end of 1st quarter. Accomplishment summary due to HHS by January 2004. FY 03: Develop and implement a plan to delayer CBER, CFSAN, CDRH, OC and ORA. FY 02: Develop and implement a plan to delayer NCTR, and CVM.	FY 06: FY 05: FY 04: Completed development and implementation plan to delayer ORA at end of 1st quarter. FY 03: Completed development and implementation plans to delayer CBER, CDER, CDRH, CFSAN and OC. FY 02: Developed and implemented a plan to de-layer NCTR, CVM and OC.	Improved Financial Management **8** **Efficiency goal**

Performance Goals	Targets	Actual Performance	Reference
2. Implement 'shared services' concept and consolidate selected functions in the agency. (19002)	FY 06: NA FY 05: NA FY 04: Implement the Shared Service organization for those functional areas transferred to the organization. Complete field migration of shared services and add field staff to ERIC. FY 03: Begin implementation of shared services concept in accordance with the Booz, Allen and Hamilton (BAH) Administrative Consolidation Study.	FY 06: FY 05: FY 04: Completed implementation of OSS organization, including Field migration. Effective March 22, 2004, the Field employees began reporting to the Office of Shared Services.	 Improved Financial Management **8** **Efficiency goal**
3. Increase the number of Commercial Activities that will be reviewed for competitive sourcing. (19003)	FY 06: NA FY 05: (combined with FY 04) Conduct Clerical Study via competition of 350 FTE. FY 04: (combined with FY 05) Conduct Clerical Study via competition of 350 FTE FY 03: Review 145.7 FTE FY 02: Review 72.7 FTE	FY 06: FY 05: FY 04: 3/05. FY 03: 167 FTE FY 02: 63	 Improved Financial Management **8** **Efficiency goal**
4. Increase the percentage of electronically purchased transactions.* (19004)	FY 06: NA FY 05: NA FY 04: 92%	FY 06: FY 05: FY 04: 99%	 Improved Financial Management **8** **Efficiency goal**
5. Maintain a clean (or unqualified) audit opinion with no material weakness. (19005)	FY 06: NA FY 05: NA FY 04: Yes FY 03: Yes FY 02: Yes FY 01: Yes	FY 06: FY 05: FY 04: Yes FY 03: Yes FY 02: Yes FY 01: Yes FY 00: Yes FY 99: Yes	 Improved Financial Management **8** **Efficiency goal**
6. Maintain percentage of contract dollars allocated to performance based contracts (19006)	FY 06: 50% FY 05: 50% FY 04: 40%	FY 06: FY 05: FY 04: 50%	 Improved Financial Management **8** **Efficiency goal**

Performance Goals	Targets	Actual Performance	Reference
7. Establish an Agency-wide Enterprise Architecture (EA). (19009)	FY 06: NA FY 05: NA FY 04: Complete next phase (i.e., critical business and data process that is next in line in priority) of the EA, leveraging outcome of EA developed for CT, Administrative and PDUFA business processes. FY 03: Complete EA for identified CT and PDUFA business purposes; implement Agency-wide EA governance. FY 02: Obtain FDA leadership buy-in; award contract for EA development support; initiate the establishment of an EA framework.	FY 06 FY 05: FY 04: Documented all Core Strategic Business Processes. Matured EA Governance process. Integrated EA with Capital Planning & Investment Control (CPIC) process. Completes target architectures for e-submission and ORA. FY 03: Completed EA Governance. Documented 90% of CT and PDUFA business processes. Delivered architecture to ORA. FY 02: Completed all goals	Improved Financial Management **8** **Efficiency goal**
8. Expand the Agency-wide IT security program to ensure all of Agency's IT assets that support the Agency's business processes are in compliance with the Federal Information Security Management Act (FISMA). (19010)	FY 06: NA FY 05: NA FY 04: Certification and Accreditation program will be completed, focusing on the FDA's Critical Infrastructure Protection (CIP) inventory. This effort will be further expanded to the non-CIP inventory in FY 04. FDA will implement a Vulnerability Remediation Program, consisting of: policies/ procedures, tools /utilities, reporting & tracking capabilities, and repeatable processes. Continue to ensure 100% compliance of the FDA IT infrastructure and assess the next third of the major systems for GISRA compliance, and perform appropriate risk mitigation. FY 03: FDA is expected to assess 100% of the FDA IT infrastructure and one third of the major systems for GISRA compliance and provide any needed corrections. FY 02: NA	FY 06 FY 05: FY 04: Completed C&A program, including non-CIP assets. Implemented Vulnerability Remediation Program. Ensured 100% compliance of the FDA IT infrastructure and all major systems for FISMA (formerly known as GISRA) compliance, including appropriate risk mitigation. FY 03: Met FY 03 targets. In addition, initiated Certification and Accreditation program, focusing on FDA's Critical Infrastructure Protection inventory. FY 02: 100% - The FDA performed comprehensive assessments of OC and	Improved Financial Management **8** **Efficiency goal**

Performance Goals	Targets	Actual Performance	Reference
		NCTR, as well as GISRA compliance reviews of selected major applications and critical IT services.	
9. FDA's implementation of HHS's Unified Financial Management System (19017)	FY 06: FDA will pilot an activity-based costing application integrated with HHS UFMS project as part of Prescription Drug User Fee Act III. The UFMS and its FDA modules will be operational in FY05 allowing FDA's legacy system core financial system to be decommissioned during the first quarter of FY 2006 FY 05: FDA will implement a new core financial management system as part of the HHS UFMS project. The General Ledger and the Payroll interface will be implemented Oct. 1, 2004, and the remaining modules will be implemented April 1, 2005. FY 04: FDA will hold a conference room pilot to prototype the design and configuration of UFMS. Begin development of FDA's unique interfaces and test global interfaces.	FY06: FY 05: FY 04: FDA held a conference room pilot to prototype the design and configuration of UFMS in February 2004. CRP goals included demonstrating that ORACLE software could meet FDA business needs, having the FDA Center representatives actively participate, having FDA staff drive the software, and proving that FDA implementation strategy would meet DHHS needs. Judging by the extremely positive Independent Validation and Verification (IV&V) Draft Report performed by Titan Corporation, the FDA UFMS team successfully accomplished its slated goals and objectives. From that time until mid- December, progress was made to prepare for the interface testing. On December 17, UFMS teams at FDA performed integration	 Improved Financial Management **8** **Efficiency goal**

Performance Goals	Targets	Actual Performance	Reference
	FY 03: Begin data cleanup and preparation for conversion of existing systems to new financial system FY 02: Prepare for consolidation of accounting operations in the ORA regions reducing the number of payment centers from 15 to 1; standardize on financial system use throughout FDA for accounts payable and Travel.	testing on the UFMS.FY 03: Major components of data cleanup have been completed. Travel Manager implementation has been completed throughout the Agency in preparation of UFMS. FY 02: Goal Met-Completed consolidation of accounting operations and implemented standardized Accounts Payable system. An automated travel system has been implemented in one ORA region and the other four are expected to be completed in FY 03.	
10. Enhance the Agency Emergency preparedness and response capabilities to be better able to respond in the event of a terrorist attack. (19008)	FY 06: Enhance functionality and continue deployment of the National Incident Management System throughout the Agency (HQ, Centers, Field offices). FY 05: Develop the Agency's Emergency Operations Network. FY 04: Develop Crisis Management Plan for CT. Develop the Agency's Emergency Operations Network.	FY 06: FY 05: FY 04: Designed, developed, and implemented fully certified and accredited EON IMS that is in use by FDA OCM OEO, September, 2004. Issued Radiological Emergency Response Plan-Version 2.0-December 12, 2004; Chemical and Biological Emergency Response Plan-Version 3.0-January 26, 2004; Bovine Spongiform Encephalopathy Emergency Response Plan-Version 5.0-December 24, 2003; and FDA Crisis Management Plan-Version 1.0-September 1, 2004. Developed and conducted FDA Radiological Functional Exercise-March 17, 2004; FDA Chemical/Biological Functional Exercise-May	**2**

Performance Goals	Targets	Actual Performance	Reference
		12, 2004. Participated in interagency meetings to plan TOPOFF 3, a full-scale, fully functional counterterrorism exercise, to take place in April 2005. Recommended and implemented the creation of a new workgroup under the Trilateral Cooperation (Canada, U.S., Mexico) for emergency preparedness and response; acted as the first chair of the new workgroup and coordinated and participated in the second trilateral food terrorism exercise in June 2004.	
	FY 03: Radiological Emergency Response Plan and the Chemical and Biological Emergency Response Plan will be reissued	FY 03: Radiological Emergency Response Plan, Version 1 was issued September 30, 2003. Chemical and Biological Emergency Response Plan, Version 1, was issued September 30, 2003.	
	FY 02: Enhance the Agency Emergency Preparedness Plan to establish protocols for responding to terrorist attacks.	FY 02: Radiological Emergency Response Plan, issued March 2002 (draft 1), currently being redrafted based on comments received and exercises conducted. Chemical and Biological Emergency Response Plan, issued June 4, 2002 (draft 1), currently being redrafted based on comments received and bioterrorism exercises conducted in FY 02.	

1. **Reduce the number of review levels in the Agency to help streamline operations.** (19001

- **Context of Goal:** FDA is striving to reduce the number of review levels for decision making within the Agency to no greater than four, which is consistent with the President's management initiatives and Departmental guidelines. This goal is in line with the Department's consolidation initiative. Reduction of review levels will allow

for a more effective structure and a streamlined organization, as well as increase the span of control to some extent for managers across the Agency. There are, however, limits to span of control ratios at FDA. This is because FDA is a knowledge-based organization, which utilizes complex scientific systems and oversees research activities. Large spans of control are generally more appropriate for production and transaction-based organizations. FDA managers are frequently managing research and development or scientific activities, where large spans of control are not possible or desired.

- **Performance:** As of October 2002, the Center for Veterinary Medicine, the National Center for Toxicological Research, and the Office of the Commissioner have eliminated organizational components below the fourth management level. Additionally, in FY 2002, FDA has consolidated from seven Personnel Offices to one. In FY 03, FDA completed development and implementation plans to delayer CBER, CDER, CDRH, CFSAN and OC. ORA is scheduled for review during the first quarter 2004.
- **Data Sources:** FDA Organizational charts, personnel databases, and functional matter experts.

2. **Implement shared services concept and consolidate selected functions in the Agency.** (19002) This goal will be no longer be applicable in FY 05

- **Context of Goal:** FDA is aligning itself with departmental guidelines for the consolidation of selected functions across the Agency. In FY 03, detailed process design and organizational design work was done to ensure the shared services organization is positioned to provide the highest level of service to customers in the most efficient way. "Stand up" of the shared services organization began October 1, 2003 (FY 04). The Office of Shared Service is a customer-focused organization in which business units establish service priorities and services are tailored to meet the individual needs of business units. Service level agreements are executed between administrative service providers and customers [business units]. Business units are defined as the various FDA programs- e.g., the Centers, ORA, etc. The shared service organization is governed by a group which includes representatives of both providers and customers. Performance is benchmarked against 'best practices' in internal and external organizations. The shared services model will help FDA to focus on its "core business", create satisfied customers and employees; leverage technology and information; and more effectively manage costs.
- **Performance:** FDA successfully transitioned administrative services from Headquarters and the Centers to the Office of Shared Services in October 2003. The Office of Regulatory Affairs (field services) and National Center for Toxicological Research (NCTR) start-up began in the second quarter of FY 2004 and will be completed by October 2004.
- **Data Sources**: FY 2001 FDA Workforce Restructuring Plan and PMA/DHHS, Strategic Management of Human Capital

3. **Increase the number of Commercial FTE that will be reviewed for competitive sourcing.** (19003)

- **Context of Goal:** FDA has contracted for many of its commercial requirements and will continue to contract commercial work and identify in-house activities for competitive sourcing. In FY 02, FDA studied the following commercial activities: graphic arts/visual information services, medical/scientific library services, web publishing, and a television studio in the Center for Devices and Radiological Health. In FY 03 FDA studied the following activities: general accounting in the Office of Regulatory Affairs field components, biological technician and physical science technician services, and facilities/real property management services. A functional assessment of clerical functions was completed in late FY 03 to identify clerical functions to be studied in FY 04. This study formally began on 25 February 2004 with a projected completion date of 26 February 2005.
- **Performance:** FDA studied 63 commercial FTEs for competitive sourcing in FY 02. The actual performance has changed in FY 02 (from the performance stated in the prior OMB submission) because the initial FY 02 target was based on a formula to complete a percentage of half of our Commercial inventory. At the time the FY 02 goal was written, 72.7 FTE was set as an initial goal because the functional assessment (FA) used to validate the positions was not completed. Now that the FA has been completed, the number of positions that could be competed under A-76 is 63 FTE. There were 63 positions reviewed in FY 02; therefore, we met the FY 02 goal. In FY 03 FDA studied 167 FTE, exceeding the goal set at 145 FTE. FY 04 and FY 05 goals will be exceeded once the clerical support study is completed.
- **Data Sources:** FDA Office of Management & Systems, 2001 FAIR Act Inventory

4. **Increase the percentage of electronically purchased transactions.** (19004)
   This goal will no longer be applicable in FY 05.

- **Context of Goal:** The percentages are not representative of all purchases, but reflect the percentages of purchases made electronically that were eligible for electronic purchase. The figures represented above also reflect the percentages of transactions and not the percentages of dollar purchases. The FDA expects to exceed these targets in all years.
- **Performance:** In FY 04, 99 percent of eligible purchases were purchased electronically, exceeding the 91 percent target The Agency conscientiously seeks to use the IMPAC Card instead of a purchase order for buying items under $2,500. By using the IMPAC Card, the Agency lowers the $90.00 overhead cost for each purchase. This has led to the Agency exceeding its goals.
- **Data Sources:** FDA Small Purchase System, statements from bank card company

5. **Maintain a clean (or unqualified) audit opinion with no material weakness.** (19005)

- **Context of Goal:** An unqualified audit opinion is a statement by the auditors that an entity's financial statements present fairly, in all material respects, the financial position, its net costs, changes in net position, budgetary resources, and reconciliation of net cost to budgetary obligations for the year ended, in conformity with generally accepted accounting principles. A financial statement material weakness is a

significant finding which, in the opinion of the auditors, poses a risk or threat to the internal control systems of an audited entity.
The table listed below shows additional relevant historical information regarding FDA's prior financial performance and reflects the results of the steps FDA took to get to its current condition. In FY 1997, FDA had 5 reportable conditions, 3 material weaknesses, did not have an unqualified audit opinion, and was not timely provided. Since then, FDA has managed to progressively perform at a higher level.

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Timely audit opinion	No	Yes	Yes	Yes	Yes	Yes	Yes
Clean (Unqualified) audit opinion	No	Yes	Yes	Yes	Yes	Yes	Yes
Number of material weaknesses	3	0	0	0	0	0	0
Number of reportable conditions	5	3	3	1	1	1	1
Number of instances of non-compliance with laws and regulations including non-compliance with the Federal Financial Management Improvement Act (FFMIA)	1	1	1	1	1	1	1

- **Performance:** FDA received a clean audit opinion on its FY 2004 financial statements but also received a material weakness. The material weakness was disclosed in the area of the payroll processes, which in FY 2004 became a shared function among three separate organizations, the Office of the Secretary (OS), the Program Support Center (PSC), and FDA. FDA will be working with the OS and PSC to resolve the material weakness. In FY 03 FDA received an unqualified opinion on its FY 2003 financial statements with no material weakness in internal controls. All FY 2003 year-end-due dates were met which assisted the Department in meeting the November 15, 2003 due date to OMB. FY 2002 Performance is at 100 percent. Since FY 1997, the performance has steadily improved due to FDA taking many corrective actions, including establishing a branch organized in FY 2000 in the Division of Accounting to prepare financial statements and to interact with the auditors. As a result, FDA went from not having an unqualified opinion with three material weaknesses and five reportable conditions in FY 1997 to having an unqualified opinion with no material weakness and one reportable condition in FY 2001.
- **Data Sources:** Fiscal Year 2001 FDA Chief Financial Officer's Annual Report.

6. **Maintain percentage of contract dollars allocated to performance based contracts.** (19006)

- **Context of Goal:** FDA is aligning itself with the OMB goals of awarding 50 percent of eligible contract dollars to firms using performance based contracts by FY 05 and will strive to meet this target for FY 06 as well. This will lead to greater accountability of services provided by contractors, and increased efficiency. It should also be noted that not all contract dollars are eligible for this initiative.

- **Performance:** In FY 04, FDA exceeded the target of 40% of eligible contract dollars awarded as performance-based contracts. FDA reviews each contract to determine if it is a candidate for performance based contracting. If so, the agency provides the contract's objectives and requests the contractor to provide the method(s) to meet the objective. Once the agency and contractor agree, FDA personnel regularly evaluate the contractor's performance. If necessary, the agency invokes a previously negotiated financial penalty against the contractor for failing to meet the objective(s). This allows the agency and contractor to assure high performance.
- **Data Sources:** The agency will rely on the data from the Federal Procurement Data System (FPDS

7. Establish an Agency-wide Enterprise Architecture (EA). (19009)

- **Context of Goal***:* Clinger-Cohen, the President's Management Agenda, the Department's policy of "One HHS" and PDUFA III are the mandates driving the Agency towards the establishment of an EA. In addition, the EA is a major piece of the Agency's overall strategy in support of the CT program: it will provide the framework on which data can be standardized and integrated to enable real time access of information crucial to the CT effort.
- **Performance:** For FY 02, $5 million has been allocated for the development of an Agency-wide Registration System. This will be accomplished through the development of an EA as a first step, with associated CT business processes receiving priority. A contract was awarded and work initiated in FY 02. For FY 03, FDA completed the design and implementation of EA governance. The EA program also documented 90% of the CT and PDUFA business processes. ORA's target architecture was delivered to them. In FY 04, FDA documented all Core Strategic Business Processes. Matured EA Governance process. Integrated EA with Capital Planning & Investment Control (CPIC) process. Completed target architectures for e-submission and ORA.
- **Data Source:** EA Strategic Plan and Project Plan; progress reports to HHS, OMB and industry (PDUFA status reports)

8. Expand the Agency-wide IT security program to ensure all of Agency's IT assets that support the Agency's business processes are in compliance with the Federal Information Security Management Act (FISMA). (19010)

- **Context of Goal***:* FISMA has set requirements for Agency's to identify their key IT assets, assess them for security vulnerability and address any findings. Security is also part of the Department's overall IT Security program. As a result, the Agency is centralizing the security program to ensure security efforts are performed in a uniform and consistent manner, while at the same time leveraging efficiencies (bulk buys, Agency-wide contracts, etc.) that are only possible with Agency-wide scope. FISMA replaced the FY 03 goal of GISRA and more accurately reflects the agencies focus in the area of IT security.
- **Performance:** In FY 04, FDA **c**ompleted the C&A program, including non-CIP assets and implemented the Vulnerability Remediation Program. Additionally, FDA

ensured 100% compliance of the FDA IT infrastructure and all major systems for FISMA (formerly known as GISRA) compliance, including appropriate risk mitigation. In FY 03, FDA assessed 100% of the IT infrastructure and major systems in the FDA inventory for FISMA compliance and provided any needed corrections. In addition, a Certification and Accreditation program was initiated, focusing on the FDA's Critical Infrastructure Protection (CIP) inventory; a majority of the inventory will be completed in FY 03 with the remaining done by mid- FY 04. This effort will be further expanded to the non-CIP inventory in FY 04. FDA is using a standardized approach for managing vulnerabilities with the use of Plan of Action and Milestones (POA&M). The POA&M allows the agency to prioritize the remediation of vulnerabilities and helps to focus IT resources where needed. Finally, in FY 04, FDA will implement a Vulnerability Remediation Program, consisting of: policies / procedures, tools /utilities, reporting & tracking capabilities, and repeatable processes. In FY 01, the GISRA assessment identified vulnerabilities that were partly the result of inconsistent interpretation and application of security policies across the Agency. In FY 02, FDA assessed OC, NCTR and selected other critical components for GISRA compliance and resolved any access control issues.

- **Data Source:** Annual FISMA assessment and report

9. FDA's Implementation of HHS' Unified Financial Management System. (19017)

- **Context of Goal***:* FDA is working with the Department to establish a unified financial management system. Specifically, the Department plans to utilize two accounting systems: one for the Center for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration, and one serving the National Institute of Health (NIH), the Program Support Center (PSC) and its eight servicing OPDIVs, the Center for Disease Control and Prevention (CDC) and FDA. FDA will use the FY 04 increase to complete the preparation to implement the general ledger and accounts payable systems. The goal of the UFMS project is to reduce costs, mitigate security risks, and provide timely and accurate information across DHHS. FDA will acquire and implement a new core financial management system as part of the UFMS project in FY 05. Implementing a new financial system will provide qualitative and quantitative benefits to FDA because it will achieve improved business processes and provide more accurate and timely information to better support FDA's and DHHS' mission.
- **Performance:** FDA held a conference room pilot to prototype the design and configuration of UFMS in February 2004. CRP goals included demonstrating that ORACLE software could meet FDA business needs, having the FDA Center representatives actively participate, having FDA staff drive the software, and proving that FDA implementation strategy would meet DHHS needs. Judging by the extremely positive Independent Validation and Verification (IV&V) Draft Report performed by Titan Corporation, the FDA UFMS team successfully accomplished its slated goals and objectives. From that time until mid- December, progress was made to prepare for the interface testing. On December 17, UFMS teams at FDA performed integration testing on the UFMS. In FY 03 major components of data

cleanup have been completed. Travel Manager implementation has been complete throughout the Agency in preparation of UFMS.

- **Data Source:** The sources are encompassed in the General Ledger & Federal Administrator, the Purchasing & Accounts Payable; and the Accounts Receivable. These sources are being prepared to transition to the Financial Business solutions system.

10. Enhance the Agency Emergency preparedness and response capabilities to be better able respond in the event of a terrorist attack. (19008)

- **Context of Goal:** The Office of Crisis Management (OCM) includes the Office of Emergency Operations and the Office of Security Operations. During FY04, OCM and its offices accomplished the following: The Emergency Operations Network will provide seamless access to all FDA offices to enable them to respond quickly to the full range of FDA emergencies. The Network will have the capability to blend FDA emergency expertise into larger emergency teams composed of other Federal, state or local agencies for larger terrorist incidents. The Network will be supported by an information technology infrastructure that will provide decision makers with quick access to emergency documents and information from all pertinent agency sources, as well as provide states with advisory information.
  This goal involves:
  - revising the FDA Crisis Management Plan and the Emergency Response Plan;
  - conducting inter and intra-Agency terrorism and emergency response exercises;
  - updating technology and equipment for the Office of Emergency Operations and the Office of Security Operations;
  - strengthening the coordination for inter and intra-Agency response involving laboratory testing;
  - strengthening collaborations with science and public health, law enforcement, intelligence and international communities;
  - developing the Agency's Emergency Operations Network Incident Management System; and
  - reviewing and revising the FDA hazard specific response plans.

  The initial draft of the FDA's Crisis Management Plan (Version 1.0) was delivered on September 1, 2004. The Crisis Management Plan provides the Agency with a structured methodology that enables the FDA to respond to crisis situations that are beyond the capabilities of existing FDA emergency response resources. The Plan incorporates elements describing the process by which the Agency identifies a crisis, as well as, the role of crisis communication in the FDA's response to a crisis. The FDA's three hazard specific response plans were finalized in FY04 (Radiological Emergency Response Plan-Version 2.0-December 12, 2004, Chemical and Biological Emergency Response Plan-Version 3.0-January 26, 2004, and Bovine Spongiform Encephalopathy Emergency Response Plan-Version 5.0-December 24, 2003). The hazard specific response plans define the different types of emergencies, identify hazard specific protocols, describe the roles of FDA officials, and address interactions between FDA, DHHS, and other governmental entities. In order to enhance the Agency's emergency preparedness and response capabilities the FDA conducted

functional exercises of the Radiological Emergency Response Plan (March 17, 2004), as well as, the Chemical and Biological Emergency Response Plan (May 12, 2004). The Bovine Spongiform Encephalopathy Emergency Response Plan was activated during the FDA's response to the first report of Bovine Spongiform Encephalopathy in the United States in December, 2003. FDA continues to strengthen its coordination with other agencies, at all levels of authority, to prepare for and respond to chemical, biological, and radiological emergencies and incidents of terrorism by participating in U.S. and international exercises and working groups.

- **Performance:** In FY04, the Emergency Operations Network Incident Management System (EOM IMS) designed, developed, and implemented pilot and production systems. The system was fully certified and accredited in September, 2004, and is used by the FDA Office of Crisis Management/Office of emergency Operations. In FY04, the following emergency response documents were created: Radiological Emergency Response Plan-Version 2.0-December 12, 2004; Chemical and Biological Emergency Response Plan-Version 3.0-January 26, 2004; Bovine Spongiform Encephalopathy Emergency Response Plan-Version 5.0-December 24, 2003; FDA Crisis Management Plan-Version 1.0-September 1, 2004. Coordinated and conducted Agency-wide emergency preparedness and response exercises including the Radiological Functional Exercise in March 2004, and the FDA Chemical and Biological Functional Exercise in May 2004. Recommended the creation of a new workgroup under the Trilateral Cooperation (Canada, U.S., Mexico) for emergency preparedness and response; acted as the first chair of the new workgroup and coordinated and participated in the second trilateral food terrorism exercise in June 2004.
- **Data Sources:** Office of Crisis Management/Office of Emergency Operations.

Long Term Outcome Goals

This section contains a status report on FDA's progress in developing and measuring long-term, quantifiable outcome goals that will improve the health and well-being of the American Public. FDA is tracking progress towards accomplishment of eight long-term outcome goals in the following areas:

- Reduce the average time to marketing approval for safe and effective new drugs and biologics.
- Reduce the average time for marketing approval for safe and effective new devices
- Reduce the average time to marketing approval for safe and effective new generic drugs
- Increase consumer understanding of diet-disease relationships (dietary fats and CHD)
- Reduce adverse drug events related to medication dispensing and administration errors by requiring bar codes on drugs and biologics used in hospitals
- Increase the patient population covered by active surveillance of medical product safety
- Increase FDA's capacity to effectively analyze food samples for biological, chemical and radiological threat agents in the event of a terrorist attack
- Reduce administrative overhead at FDA by reducing the number of administrative staff

Detailed information on each of these goals is provided in the material that follows.

In each of these areas, FDA is strengthening outcome measurement and achievement capability by taking the following steps:

Examine the linkage between FDA program efforts and ultimate health and safety outcomes; and evaluate possible performance indicators for these end outcomes, which may be relevant for FDA.

Explore of intermediate outcome measures which may serve as good leading indicators of ultimate health outcomes. Many of these intermediate measures are more proximate to FDA efforts and therefore may be more within the influence of Agency actions.

Identify data sources that will serve as valid and reliable sources of information on the selected intermediate and end outcome measures. In some cases these data sources have been identified; in many other cases the search for such sources is still underway.

Formulate data strategies to make databases more accessible and useable for FDA. In some cases data sources are in place, but are not collecting information in categories that would be relevant for FDA. In other cases, data must be purchased from outside sources; and in still other instances, such as adverse event reporting systems, the databases have to be constructed. This takes time and considerable investment of resources.

Analyze and evaluate, as appropriate, to strengthen our understanding of the relationship between FDA program efforts and both intermediate and end health outcomes. We have identified studies that have already been completed, which contributes to our understanding of these relationships.

A discussion of progress in outcome measurement and achievement follows for each of the areas identified above.

> The names of FDA's strategic goals have been changed to reflect revised titles as shown in FDA's Progress and Priorities in FY 2004 (see http://www.fda.gov/oc/initiatives/reports/priorities2004.html.)

FDA Proposed Long-term Outcome Goals for Strategic Goal 1: Using Risk-Based Management Practices

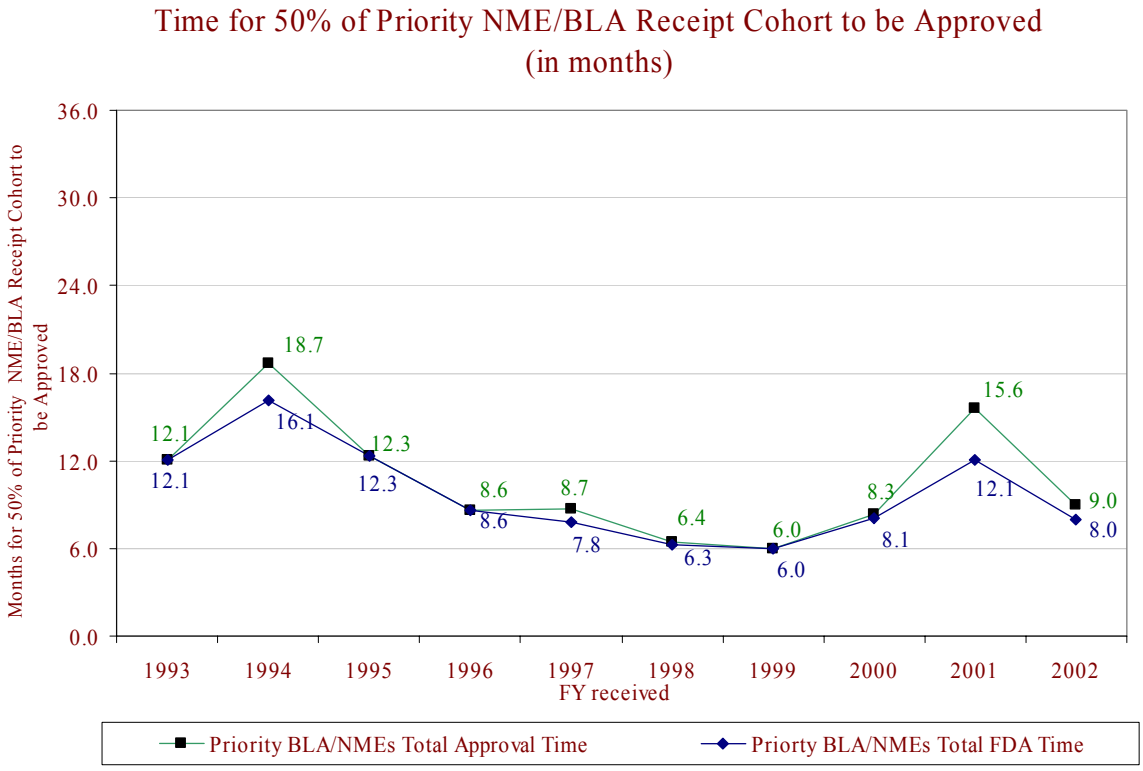
Marketing Approval for New Drugs and Biologics

1. What is the proposed long-term outcome goal? The goal is to ***reduce the average time to marketing approval for safe and effective new drugs and biologics.***

2-3. What are the proposed targets and the proposed data for full accomplishment? The proposed targets will differ for priority applications versus standard drug and biologics licensing applications.

The proposed target calls for a reduction in average FDA approval time by 30 days for the fastest 50 percent of priority New Molecular Entities/ Biologics Licensing Applications approved, using the 3-year submission cohort for FY 2005-2007.

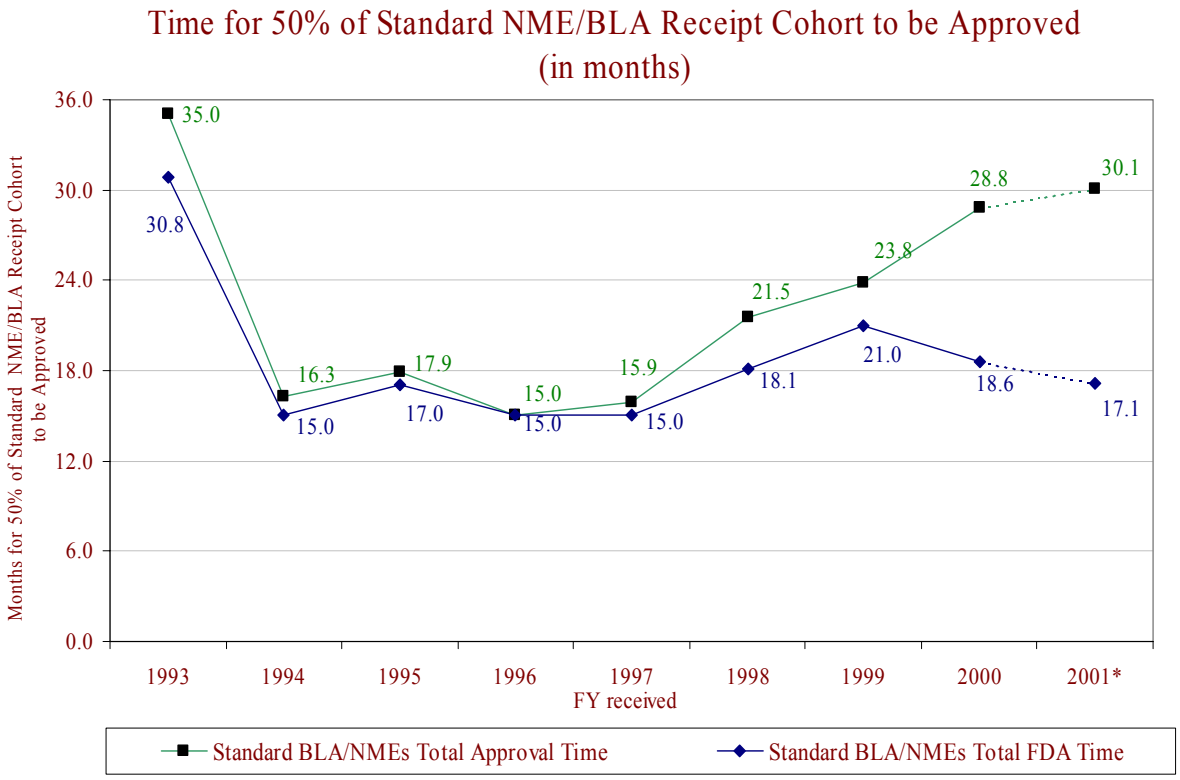
The baseline used for this goal is the average FDA approval time for the fastest 50 percent approved for the FY 2000-2002 submission cohort. The baseline average FDA marketing approval time for priority NME and biologics applications is 9.4 months. [see chart below]



[3] Tufts CSDD quantifies savings from boosting new drug R&D efficiency, *Tufts Center for the Study of Drug Development Impact Report*, Vol. 4 No. 5 September/October 2002

The proposed target calls for a reduction in average FDA approval time by 2 months for fastest 50 percent of standard New Molecular Entities/ Biologics Licensing Applications approved, using the 3-year submission cohort for FY 2005-2007.

The baseline used for this goal is the average FDA approval time for the fastest 50 percent approved for the FY 1999-2001 submission cohorts. [*Note: FY 2001 applications for the baseline measure are not all done so the reduction target is provisional. FDA has projected the average time based on the applications submitted in FY2001 approved so far.*] The baseline average FDA marketing approval time for standard NME and biologics applications is 18.9 months. [see chart below]



* Currently, 38% of the FY 2001 Standard cohort have reached approval. FY 2001 figures are projected based on approvals to date and current status of unapproved applications. Because of the sensitivity of the 50% approval statistic, these figures could change significantly depending on the outcome of applications currently under review.

FDA will have the data to measure and assess accomplishment of these goals in FY2008.

On an intermediate basis, FDA will track and analyze time to approval and look at a rolling 3 year average for the fastest 50 percent of NMEs and biologics approved for the interim years, and the Agency will track the timeliness of implementation and evaluate the impact of a variety of program initiatives that are intended to improve the quality and effectiveness of FDA review and interactions with sponsors, and to improve the quality of applications submitted by sponsors. These factors are expected to impact the time to marketing approval. The target cohort FY 2005-2007 submissions is chosen because the Agency expects to see a return on these efforts by that point in the future.

Long Term Outcome Goals

To progress toward this long-term performance goal for FY2005-2007, FDA will:

a. Review and act on 90 percent of standard original NDA and BLA submissions filed during the fiscal year within 10 months of receipt, and will review and act on 90 percent within 6 months of receipt for priority applications. [reference **PDUFA III goal letter**]
b. Implement the Continuous Marketing Application (CMA) pilot review programs in FY 2004, enabling sponsors to submit portions of applications for Fast Track drugs for early review and feedback, in advance of a full application submission. As part of this initiative FDA will work to the following goals:
    - Complete discipline review team review of a "reviewable unit" for a Fast Track drug or biologic, and issue a Discipline Review Letter within 6 months of the date of the submission for 50 percent of "reviewable units" in FY 2005; for 70 percent of "reviewable units" in FY 2006 and for 90 percent of "reviewable units" in FY 2007.
c. Implement the First Cycle Review initiative. As part of this premarket review initiative, for original NDA/BLA applications FDA will report substantive deficiencies identified in the initial filing review to the sponsor by letter, telephone conference, fax, secure email or other expedient means, within 14 calendar days after the 60-day filing date. FDA will provide a notification of deficiencies prior to the goal date for 70 percent of applications submitted in FY 2004; and for 90 percent of applications submitted in FYs 2005, 2006 and 2007.
    - FDA will also retain an independent expert consultant to conduct an evaluation to assess the first cycle review history of all NDAs for NMEs and all BLAs submitted in FY 2003-2007 including a detailed evaluation of the events that occurred during the review process with a focus on identifying best practices by FDA and by industry that facilitate the process. This should result in better-quality applications and more effective interactions, helping reduce unnecessary delays in time to marketing approval.
d. As part of FDA's **Strategic Action Plan** Goal 1, the Agency will, during FY 2003-2005:
    - Perform root cause analysis to address causes of unnecessary delay in application approval.
    - Initiate quality systems for human drug review process.
    - Work collaboratively with the National Cancer Institute and other government agencies, academic researchers, health care providers and patients to clarify regulatory pathways for targeted disease areas and new technologies, through joint workshops and conferences to address key clinical and scientific issues, to provide clear guidance to product innovators, improving the efficiency and anticipated quality of submitted applications. ***The targeted disease areas include cancer, diabetes and obesity. The targeted technologies include cell and gene therapy, pharmacogenomics and novel drug delivery systems.*** The quality and completeness of submitted applications are key determinants of the time required for FDA approval.

4. What FDA Centers are covered by this goal? The Center for Drug Evaluation and Research (CDER) and the Center for Biologics Evaluation and Research (CBER)

5. Why achieving this goal is important? Reducing unnecessary delays in the approval time for safe and effective drugs that truly represent new therapies [i.e., NMEs and biologics] means earlier patient access for these medicines. Reducing unnecessary delays in drug approval also helps to both control the cost of new drug development, cited as a factor affecting the cost to consumers, and supports market competition among innovators. This is both good for the drug industry and good for consumers. New drug development presents uncertainties that increase the business risk and costs to the innovator. Higher costs can create barriers to competition both from new drugs with therapeutic value – but not blockbuster potential, and new innovators that don't have access to the capital available to more established pharmaceutical companies. Although some scientific and technical uncertainties are inherent and unavoidable in drug innovation, others can be reduced or eliminated, helping speed patient access to new drugs, and reducing the cost of drug development. FDA has begun major initiatives to reduce those

sources of uncertainty. See paragraph 4.(d) above. These are included in the Agency's Strategic Action Plan

Sponsors, for example, may be uncertain about what FDA expects to see in a high quality new drug application, because of a lack of interaction with FDA during development, or lack of clear, timely or consistent FDA-sponsor communication during review. As a result, the submitted application may have deficiencies that could have been avoided or addressed quickly, but instead create unnecessary delays as they are identified by FDA and then addressed by the sponsor. Although FDA has found that applications can often contain deficiencies that are not so readily addressed, clear understandings of FDA expectations and timely communication between FDA and application sponsors can increase the likelihood that the submitted application contains the necessary information for timely approval on the first round.

The targeted reductions in this FDA outcome goal represent approximately 10.5 percent reductions in total FDA review times for priority and standard NMEs and BLAs. Using Tufts estimates of potential cost reductions by phase of drug development[3], a 10 percent reduction in regulatory review time yields a 1.6 percent reduction in total capital costs, now estimated at $802 million, translating to a savings of $12.8 million per NME approved.

6. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity?

To obtain marketing approval, the new drug application must provide the scientific evidence needed to demonstrate safety and effectiveness in treating the disease indication identified in the labeling. The degree of net impact on mortality and morbidity will vary according to disease indication and the availability and efficacy of alternatives already on the market.

FDA has targeted reduced time to approval for priority applications and has focused the new CMA initiatives [intended to speed development and review] on Fast Track products to increase the expected mortality and morbidity impact of the new approvals in the target years.

The following rapid drug approvals resulting from earlier PDUFA review performance goals illustrate the type impact that can be achieved:[4]

- The new biologic for the treatment of breast cancer (Herceptin®/ trastuzumab) was approved by FDA in less than 5 months. This drug took 18 months to be approved in Europe. There were an

[4] Sources:

- Surveillance Epidemiology and End Results Program, National Cancer Institute
- IMS HEALTH, National Prescription Audit *Plus*™ Years 1997-2000
- IMS HEALTH, National Disease and Therapeutic Index™ Years 1997-1998
- IMS HEALTH, Retail & Provider Perspective™ Years 1997-2001
- Birth cohort in 1999 and 2000, National Vital Statistics Report Vol 49, No. 5 July 24, 2001
- Physicians Desk Reference
- Teerlink JR and Massie BM Am J Cariol 1999 Nov 4;84(9A):94R-102R.
- Zangwill KM, Vadheim CM, Vannier AM, et al. Epidemiology of invasive pneumococcal disease in Southern California: implications for the design and conduct of a pneumococcal conjugate vaccine efficacy trial. J Infect Dis 1996; 174:752-9.
- Pastor P, Medley F, Murphy T. Invasive pneumococcal disease in Dallas County, Texas: results from population-based surveillance in 1995. Clin Infect Dis. 1998; 26:590-5.
- Hofmann J, Cetron MS, Farley MM, et al. The prevalence of drug-resistant Streptococcus pneumoniae in Atlanta. N Engl J Med. 1995; 333:481-515.
- Slamon DJ et al. Use of Chemotherapy plus a monoclonal antibody against HER2 for metastatic breast cancere that overexpresses HER2. N Engl J Med 344: 783-792.

estimated 10,000 American patients with advanced breast cancer who received this new treatment (Herceptin®/ trastuzumab) during the time that FDA might have still been reviewing the application, had it not been for the improvements made possible with the additional funds under PDUFA. This added an estimated 2300 years of life to the population who had access to the new treatment (Herceptin®/trastuzumab) following its market approval in May of 1998.

- Earlier access to a new drug for congestive heart failure (Coreg®/carvedilol) is estimated to have prevented up to 2,800 deaths during the period that FDA might have been reviewing the application had it not been for FDA's goal-driven reviews.

- The 6 month review and approval of a new treatment for osteoporosis (Fosamax®/alendronate sodium) is estimated to have allowed thousands of women access to treatment, when compared to the average review time for similar drugs prior to PDUFA. This earlier access to Fosamax prevented as many as 3,000 hip and wrist fractures.

- Compared to the average review time for vaccines prior to PDUFA, the faster review and approval of a new vaccine [Prevnar®/Pneumococcal 7-valent Conjugate Vaccine] for life threatening infections in children, allowed earlier access to the vaccine and prevented an estimated 14,000 cases of serious infections in infants and young children.

In the future, the Agency will demonstrate the impact that reduced approval times have on morbidity and mortality using similar methods. Pharmaceuticals and biologicals approved in the FY 2005-2007 submission cohort that significantly impact morbidity and mortality will be identified by the respective review divisions. For each product identified, the approval time would be compared to the average approval time for the relevant therapeutic category from earlier submission cohorts. This difference in time would represent the average additional time period in which eligible patients had access to new breakthrough treatments. The health benefits related to these breakthrough treatments administered during these time periods would be the primary endpoints.

For each product from the FY 2005-2007 submission cohort judged to have a significant impact on morbidity and mortality, the size of the eligible patient populations and the corresponding product utilization post approval would be determined through IMS data along with other publicly available data sources such as the published literature, data bases, and disease registries. Efficacy and/or effectiveness measures would be taken from either Phase III studies or the most recent published studies demonstrating the products' effects. Health outcomes measures such as events avoided, live years saved, or deaths avoided would be calculated based on the point estimates for effectiveness and product utilization. If healthcare resource utilization and costs are readily available from in-house data sources these estimates would be obtained and analyzed in addition to the health outcomes.

7. What types of data already exist for measuring this long-term outcome goal? FDA maintains a PDUFA application/review tracking system that can provide the data to measure the long-term goal. Because there is a delay from the time of submission to approval of 50 percent of the submission cohort, the Agency anticipates that the data will be available to evaluate performance for these long-term goals in FY 2008.

8. What types of new data sources would be needed to measure progress on this long-term outcome goal? Progress toward achievement of the goal will be tracked through existing review tracking and newly established tracking elements for new FDA initiatives under PDUFA III and under the FDA Strategic Action Plan.

9. Why is this target a stretch? Whether or not a product can be approved in a shorter time period (e.g., a single review cycle of 6 months for priority or 10 months for standard) depends on whether the application contains sufficient, scientifically valid information on safety and effectiveness to meet the Agency's standards for approval (i.e., that there is evidence that the demonstrated benefits of the product outweigh its known risks.) The basic premise at the time of the submission of the application to the FDA is that the application is complete and contains the data needed to support the claims the company wishes to make for the product and that the company is prepared to manufacture the product in a consistent, quality manner in compliance with good manufacturing practices.

As deficiencies are noted during the review of an application, the Agency attempts to work with the company to address these deficiencies during the time allowed for the review cycle. Minor deficiencies can often be so corrected without having to resort to a second review cycle. However, major deficiencies usually need substantial time between cycles for companies to develop the data necessary to address adequately the deficiencies noted during the review.

FDA believes that reducing deficiencies to a minimum prior to application submission would result in the most efficient use of Agency and company resources and would facilitate getting scientifically-substantiated, well-manufactured products to patients as quickly as possible. But the Agency cannot guarantee that sponsors will follow FDA guidances or advice, or respond quickly and completely to noted deficiencies. Achieving this goal requires not only that FDA improve its own performance, and work more efficiently and effectively, but essentially work to improve the performance of the drug sponsors as well.

10. How does this target serve Department priorities and goals? This Agency goal and target measures support the Department priorities of preventing disease and illness and promoting positive life styles, and improving the quality of health care.

11. What measurable progress have we made toward this goal?

Reduction in Review Time

- The FDA approval time for the fastest 50 percent of priority NME and biologics licensing applications (BLAs) approved for the FY 2001-2003 cohort is 265 days as compared to 286 days for the baseline FY 2000-2002 submission cohort. *This is a reduction of 21 days versus the FY 2005-2007 target of 30 days.*

- The FDA approval time for the fastest 50 percnet of standard NME/BLA applications approved for the FY 2000-2002 cohort is 520 days as compared to 575 days for the baseline FY 1999-2001 submission cohort. *This is a reduction of 55 days versus the FY 2005-2007 target of 61 days.*

Overall PDUFA Review Performance

FDA exceeded all PDUFA review performance goals for FY 2002 and appears to be on track to meet the review performance goals for the FY 2003 submission cohort.

- *For the FY 2002 submission cohort, the Agency has exceeded its goals for reviewing and acting on 90 percent of standard original NDA and BLA submissions filed during the fiscal year* within 10 months of receipt, and reviewing and acting on 90 percent of priority applications within 6 months of receipt.

- Based on applications approved by September 30, 2003, the estimated *median approval times for FY 2002 submissions are 7.5 months for priority applications and 12.8 months for standard applications.*

This is a substantial decrease from 15.6 months for priority applications and 22.1 for standard applications in FY 2001. FY 2001 appears to have been a statistical aberration.

- *For 2002, 47 percent of priority applications and 36 percent of standard applications were approved on the first review cycle. This performance was a substantial increase* over FY 2001, when 15 percent of priority applications and 19 percent of standard applications were approved on the first cycle.

This progress was made possible by a number of activities, initiatives, and projects which are detailed below.

Implement the First Cycle Review Initiative – The PDUFA III First Cycle initiative for notification of substantive deficiencies identified during the initial filing review for original NDAs and BLAs was implemented on October 1, 2002. The *goal is to report substantive deficiencies* (or lack of same) identified in the initial filing review to the sponsor within 14 days of the 60 day filing date for original BLAs, NDAs, and Efficacy Supplements. Performance levels progress from *50 percent on time for FY 2003* submissions to 90 percent for FY 2005 to FY 2007 submissions. *As of the end of FY 2003, the Agency met the goal with 84 percent of notifications done on time.*

The draft Good Review Management Principles (GRMP) guidance was published on July 28, 2003. FDA received extensive comments and expects to publish the final GRMP guidance by July 2004.

Retrospective and Prospective Analyses of Applications – *A task order contract was awarded to Booz/Allen/Hamilton on April 30, 2004 to conduct the retrospective and prospective analyses related to the PDUFA III First Cycle Initiative.* The contractor will identify the root causes of multiple cycle reviews and the best practices of FDA and industry for eliminating problems with applications that cause delays. The contractor will evaluate performance for both the First Cycle and CMA initiatives.

Implement the Continuous Marketing Application (CMA) pilot review programs – *Final guidances were published on October 6, 2003, and the pilot programs became effective as of that date.* In CDER, there are seven firms in Pilot two and four in Pilot one. At least two more are in the offing for Pilot one, but have not officially submitted requests to participate. No firms are currently participating with CBER.

Quality Systems for human drug review process – *A request for proposals (RFP) was published on April 21, 2004 to solicit a contractor to implement a quality system for the new drug review process in CDER and CBER.* The contract will provide expert technical assistance to FDA to develop a quality system. FDA expects that the quality system will result in a more efficient and effective review process. Quality systems training will also be provided to senior review managers and review staff.

Independent Consultants – *Draft guidance was published on May 7, 2003*. Final guidance is expected to be published by September 2004.

Postmarketing Initiative – Three concept papers were published in March 2003. Risk management public meetings were held in April 2003. *Draft guidances were published in May 2004.* FDA expects to publish final guidances by September 2004. In FY 2003, CDER was involved in the review of 32 risk management plans and participated in 30 pre-NDA meetings and 11 pre-approval safety conferences. CBER participated in pre-approval safety conferences for two vaccines.

Electronic Applications and Submissions Goals – FDA developed a PDUFA III 5-year IT plan in FY 2003 to meet electronic submission goals. *In FY 2003 FDA published the Electronic Common Technical*

Document (eCTD) guidance, released eCTD specifications, released the initial eCTD software, and has received and is reviewing the initial eCTD submissions.

Collaboration with NCI and other government agencies – In April 2004, FDA clarified for NCI when INDs are required for studies of approved drugs by modifying the "Guidance for Industry: IND Exemptions for Studies of Lawfully marketed Drugs and Biological Products for Treatment of Cancer." Guidance is posted on CDER's website: http://www.fda.gov/cder/guidance/6036fnl.pdf

Communication/Guidance and Meetings

Guidance: In FY 2002, CDER and CBER issued 30 draft guidance documents and 25 final guidance documents. In FY 2003, CDER and CBER issued 44 draft guidance documents and 54 final guidance documents.

Meeting Requests: The PDUFA goal is to notify the requestor of a formal meeting in writing within 14 days of the request 90 percent of the time. In FY 2003, the Agency met this goal 90 percent of the time.

In FY 2003, there were 1,597 meetings with sponsors scheduled in CDER, and 398 meetings scheduled in CBER.

Reviewer Training – Training for reviewers is a high priority. For example, in support of the implementation of the First Cycle and CMA initiatives under PDUFA III and for an introduction to new guidances for the End of Phase 2A Meetings and Drug Dose Exposure-Response relationships, training was offered to all CDER and CBER review staff. In FY 2003, 1,183 employees attended the Agency's training on these topics.

Fast Track Initiative – By 1997, the five-year-old accelerated approval regulations had resulted in about 20 approvals, mostly for AIDS and cancer treatments. In comparison, within its first five years the fast track program led to 200 fast track product development designations and another two dozen approvals. Since 1998 there have been a total of 35 fast track approvals.

12. The following references show the link between our activities and the long term goal.

- **Fast Track Initiative** – Tufts Center for the Study of Drug Development Impact Report; (November/December 2003)
- **Popularity of U.S. Market for First Time Submissions** – CMR International R&D Briefing No. 35; October 2002
- **Effect of FDA Guidance and Advice** – Drug Information Journal, Volume 37, p. 370; 2003
- **Effect of PDUFA on Drug Review Times** – Health Affairs – Perspective, "Explaining Reductions in FDA Drug Review Times: PDUFA Matters by Mary K. Olson, January 30, 2004
- **Effect of Communications/ Guidance and Meetings** – Office of Inspector General Report; "FDA's Review Process for New Drug Applications, A Management Review"; OEI-01-01-00590; March 2003
- **Effect of Training** – GAO-02-058; PDUFA User Fees

FDA Proposed Long-term Outcome Goals for Strategic Goal 1: Using Risk-Based Management Practices

Premarket Approval for New Devices

1. What are the proposed long-term outcome goals? The long-term PART goal is to ***reduce the average time for marketing approval for safe and effective new devices.***

FDA needs to make these improvements to implement MDUFMA successfully. FDA is beginning to implement MDUFMA, and is committed to meeting the ambitious 5-year MDUFMA goals summarized below. Both the PART and the MDUFMA goals assume FDA will get the funding outlined in the statute.

2. What are the proposed targets and the proposed target dates for full accomplishment?

Expedited PMAs

The proposed target calls for a reduction in FDA's total approval time by 30 days for the fastest 50 percent of expedited PMAs approved, using the submission cohort for FY 2005-2007. The baseline for this goal is the three year average of total FDA approval time for the fastest 50 percent approved for the applications filed during FY 1999-2001. The baseline FDA marketing approval time for expedited PMAs is 360 days (see attached chart). MDUFMA's decision goals call for FDA to decide on 90 percent of expedited PMAs within 300 days for applications received in FY 07. In order to achieve this decision goal, and the relevant cycle goals, FDA estimates it would need an average approval time of about 270 days. This will be a stretch with the funding outlined in the statute.

Standard PMAs

The proposed target also calls for a reduction in FDA's total approval time by 30 days for the fastest 50 percent of standard PMAs approved, using the submission cohort for FY 2005-2007. The baseline for this goal is the three year average of total FDA approval time for the fastest 50 percent approved for the applications filed during FY 1999-2001. The baseline FDA marketing approval time for standard PMAs is 320 days (see attached chart). MDUFMA's decision goals commit FDA to decide on 90 percent of standard PMAs within 320 days for applications received in FY 2007. In order to achieve this decision goal and the relevant cycle goals, FDA estimates it would need an average approval time of about 290 days. This is consistent with the long term goal above, and doable with the funding outlined in the statute. But, it will be a stretch. The approval of some key PMAs has been delayed, for example in the cardiac area, because CDRH doesn't have sufficient staff to handle simultaneous reviews that required the same review expertise. MDUFMA resources will be used both for new hires and to expand external expertise.

3. Why is the achievement of this long-term outcome goal important? MDUFMA overall commits FDA to significant improvements in device review performance. This is important overall to the entire device industry, which is expanding in size and technical complexity. The industry is relying on FDA to take a leadership role in regulating a rapidly emerging frontier of medical device technology with timeliness, quality, scientific consistency, and international harmonization. Most of the device industry is small and rapidly changing. Many small and new start-up firms rely heavily on FDA for guidance and outreach, and the reviews take extra FDA time and energy.

- About 25 percent PMAs are for breakthrough technologies; and
- Over 25 percent of PMAs are from first-time submitters.

The area of expedited devices is particularly important because they are the most complex, raise new medical and scientific issues, and FDA often works with first time or small device sponsors. These devices are for uses that haven't been approved yet, and therefore expediting their safe and effective

approval will have great clinical impact. Our expedited program is the area where we have the most improvements to make.

Standard PMAs are also for the most complex (Class III) devices, and also have significant clinical impact For example, a recent drug-eluting cardiac stent could, if used properly, reduce repeat angioplasty of by-pass surgery, by 15-30 percent.

FDA will take steps to improve its device review program by analyzing and taking action to reduce multi-cycle reviews. MDUFMA requires more pre-submission meetings, especially for expedited products. CDRH will use these interactions with sponsors to clarify requirements and improve the quality of applications. FDA is also taking steps to improve the quality of reviews. CDRH will develop an after the fact quality review system to review a sample of reviews to assess the quality of the review and the scientific consistency of the review process and the review decision. This information will be shared with reviewers to improve reviews.

4. How does the long-term goal relate to reducing morbidity or mortality Working with sponsors to reduce product development time and FDA total approval time for expedited devices and standard PMAs by 30 days for applications received in FY 2005-2007 will bring safe and effective expedited devices to market sooner, promoting and protecting public health. FDA will also test ways to assess the clinical impact of the expedited devices approved.

5. What kinds of data already exist? FDA has modified its device review tracking systems to report MDUFMA device categories and decisions.

6. What types of new data sources will be needed? FDA is testing ways to assess the clinical impact of expedited devices at time of approval.

MDUFMA Goals for Expedited Review Original PMA Submissions (These are excerpts from the MDUFMA commitment letter signed by the Secretary.)

1. The following goals apply to PMA submissions where:

    a. FDA has granted the application expedited status;
    b. The applicant has requested and attended a pre-filing review meeting with FDA;
    c. The applicant's manufacturing facilities are prepared for inspection upon submission of the application; and
    d. The application is substantively complete, as defined at the pre-filing review meeting.

2. The following cycle goals apply to:
    FY 2005 – 70 percent of submissions received
    FY 2006 – 80 percent of submissions received
    FY 2007 – 90 percent of submissions received

    a. First action major deficiency letters will issue within 120 days.
    b. All other first action letters (approval, approvable, approvable pending GMP inspection, not approvable, or denial) will issue within 170 days.
    c. Second or later action major deficiency letters will within 100 days.
    d. Amendments containing a complete response to major deficiency or not approvable letters will be acted on within 170 days.

3. FDA decisions:

a. Of submissions received in FY 2005, 70 percent will have an FDA decision in 300 days.
b. Of submissions received in FY 2006, 80 percent will have an FDA decision in 300 days.
c. Of submissions received in FY 2007, 90 percent will have an FDA decision in 300 days.

4. For amendments containing a complete response to an approvable letter received in FYs 2003-2007, 90 percent will be acted on within 30 days.

MDUFMA Goals for Review of Original Premarket Approval (PMA), Panel-PMA Track Supplements, and Premarket Report Submissions

1. The following cycle goals apply to: 75 percent of submissions received in FY 2005; 80 percent of submissions received in FY 2006; 90 percent of submissions received in FY 2007;
   a. First action major deficiency letters will issues within 150 days.
   b. All other first action letters (approval, approvable pending good manufacturing practices (GMP) inspection, not approvable, or denial) will issue within 180 days.
   c. Second or later action major deficiency letters will issue within 120 days.
   d. Amendments containing a complete response to major deficiency or not approvable letters will be acted on within 180 days.

2. Decision Goals:
   a. Of submissions received in FY 2006, 80 percent will have an FDA decision in 320 days.
   b. Of submissions received in FY 2007, 90 percent will have an FDA decision in 320 days.

3. Subject to the following paragraphs, 50 percent of submissions received in FY 2007 will have an FDA decision in 180 days. This goal will be reevaluated following the end of FY 2005. FDA will hold a public meeting to consult with its stakeholders and to determine whether this goal is appropriate for implementation in FY 2007. If FDA determines that the goal is not appropriate, prior to August 1, 2006, the Secretary will send a letter to the Committee on Health, Education, Labor and pensions of the Senate and to the Energy and Commerce Committee, Subcommittee on Health of the House of Representatives stating that the goal will not be implemented and the rationale for its removal.

4. Of amendments containing a complete response to an approvable letter, received in FY 2003-2007, 90 percent will be acted on within 30 days.

— CDRH Original PMA Approval Cohorts —
(As of 16-May-2003)

Expedited

Fiscal Year	Total Filed	Filed Cohort				
		Number Approved	Time to 50 percent Approval		Number With Other Final Action*	Number Pending
			Total FDA Days	Total Elapsed Days		
1999	7	7	382	491	0	0
2000	8	8	341	482	0	0
2001	9	8	358	418	1	0
3 Year Summary	24	23	360 (avg.)	464 (avg.)	1	0

Regular

Fiscal Year	Total Filed	Filed Cohort				
		Number Approved	Time to 50 percent Approval		Number With Other Final Action*	Number Pending
			Total FDA Days	Total Elapsed Days		
1999	48	42	341	372	6	0
2000	60	39	333	399	20	1
2001	58	38	286	327	8	12
3 Year Summary	166	119	320 (avg.)	363 (avg.)	34	13

*****Includes PMAs with a final action other than approval, such as withdrawal, conversion, denial, or other final actions.

How is "**Time to 50 percent Approval**" calculated?

- Separate calculations are performed for expedited PMAs and regular PMAs.
- The first step in calculating "FDA time to 50 percent approval" is to count the number of PMAs filed in a given fiscal year, and divide this number by two. (If the result is not a whole number, it is rounded up to the next highest whole number.) This determines how many PMAs make up 50 percent of the filed cohort.
- Next, the approved PMAs in the cohort are ranked in ascending order based on each application's total elapsed time from filing to approval. The "fastest 50 percent" of the cohort is identified from the ranked list of approved PMAs by selecting applications representing 50 percent of the filed cohort (i.e., the number of PMAs determined in the previous step), starting with the application having the lowest total elapsed time to approval.
- The PMA with the highest FDA review time is identified from the PMAs that represent the "fastest 50 percent" of the filed cohort. This FDA review time is the "FDA time to 50 percent approval" for the filed cohort.

7. What measurable progress have we made toward this goal?

Last year CDRH calculated the baseline data for this goal, time to approval for the fastest fifty percent of expedited PMAs, for the time period of FY 1999 – 2001. This year CDRH has calculated the time to approval for the fastest fifty percent for the time period FY 2000 – 2002. The results are

provided in the following table. Please note that when this long-term goal was created it was based on a specific resource allocation. *Although the full allocation was not realized, the Center was able to decrease the average review time of the fastest fifty percent for expedited PMAs by 33 days versus the FY 2005 –2007 target of 30 days.*

— CDRH Original PMA Approval Cohorts —
Expedited

Fiscal Year	Total Filed	Filed Cohort				
		Number Approved	Time to 50 percent Approval		Number With Other Final Action*	Number Pending
			Total FDA Days	Total Elapsed Days		
2000	8	8	341	482	0	0
2001	9	8	358	418	1	0
2002	9	7	282	306	1	1
3-Year Summary (2000 – 2002)	**26**	**23**	**327 (avg.)**	**402 (avg.)**	**2**	**1**
Previous 3-Year Summary (1999 – 2001)	24	23	360 (avg.)	464 (avg.)	1	0

- Last year CDRH calculated the baseline data for this goal, time to approval for the fastest fifty percent regular PMAs, for the time period of FY 1999 – 2001. This year CDRH has calculated the time to approval for the fastest fifty percent for the time period FY 2000 – 2002. The results are provided in the following tables. Please note that when this long-term goal was created it was based on a specific resource allocation. Last year those resources were not allocated as expected. To compensate, resources were moved into expedited products since they are the most important in terms of public health impact. *The result of moving resources into expedited PMA review adversely affected the review time for regular PMAs increasing average review time to 18 days.* Full results are reported on in the following table.

Regular

Fiscal Year	Total Filed	Filed Cohort				
		Number Approved	Time to 50 percent Approval		Number With Other Final Action*	Number Pending
			Total FDA Days	Total Elapsed Days		
2000	60	39	333	399	20	1
2001	58	38	286	327	8	12
2002	32	20	395	427	3	9
3-Year Summary (2000 – 2002)	**150**	**97**	**338 (avg.)**	**384 (avg.)**	**31**	**22**
Previous 3-Year Summary (1999 – 2001)	166	119	320 (avg.)	363 (avg.)	34	13

*****Includes PMAs with a final action other than approval, such as withdrawal, conversion, denial, or other final actions.

It is important to remember that the decrease in approval time of the fastest 50 percent of expedited PMAs is not the result of a single event, rather the decrease is the product of several initiatives CDRH is undertaking in an effort to meet the long-term outcome goal's target. The accomplishments of these initiatives include:

- CDRH met all of the Center's performance targets for Device review in FY 2003.
- Eleven guidances were published in FY 2003 and 3 guidances were published in the first quarter of FY 2004.

- There were 18 completed hires as of February 21, 2004. (MDUFMA FY 2004 1st Qtr. Report)

- CBER has substantially (approximately 25 percent) increased device related effort in the last year -In addition to increased device effort from employees, new hiring has allowed recruitment of individuals with specialized experience/expertise and diverse backgrounds. (MDUFMA FY 2004 1st Qtr. Report)

- Forty three (43) professionals participated in the CDRH Medical Device Fellowship Program. (MDUFMA FY 2004 1st Qtr. Report)

- Instituted quality system initiatives involving peer review and balanced scorecard. To help FDA reviewers keep up with the latest relevant developments, to provide high quality safety review, to improve efficiency, and to attract and retain the best possible scientific talent, FDA is committed to the implementation of a continuous learning/ quality systems approach to medical product reviews. This is needed to address inconsistencies in the review process; a lack of consensus on what constitutes "quality review"; opportunities to provide training for review staff and review managers; institution of peer review of the review process and content, and support for rigorous scientific review through better analytic tools.

[5] Mitchell JB et al. Impact of the Oregon Health Plan on access and satisfaction of adults with low income. Health Serv Res 2002 Feb;(37(1):33-42.

Goals for Strategic Goal 1: Using Risk-Based Management Practices

Marketing Approval for Generic Drugs

1. What is the proposed long-term outcome goal? The goal is to ***reduce the average time to marketing approval or tentative approval for safe and effective new generic drugs.***

2-3. What are the proposed targets and the proposed date for full accomplishment? The proposed target calls for a reduction in average FDA time to approval or tentative approval by 1.5 months for the fastest 70 percent of original generic drug applications approved or tentatively approved of those submitted using the three year submission cohort for FY 2005 - 2007.

The baseline used for this goal is the average FDA time to approval or tentative approval for the fastest 70 percent of applications approved for the FY 1998 - 2000 submission cohort. The table below provides the analysis of current approval time statistics, and shows that the mean and median times have remained relatively flat for the 60 percent and 70 percent approval cohorts. Using the mean for the fastest 70 percent approved cohort yields a baseline average of 17.9 months to FDA marketing approval or tentative approval.

Approval Time Statistics
Based on Fastest XX% Approval Times
Fiscal Years 1998-2000

		<-----50%------>			<-----60%------>			<-----70%----->		
Year	**Subs Appd**	**n**	**mean**	**median**	**n**	**mean**	**median**	**n**	**mean**	**median**
1998	320 264	160	14.3	14.0	192	15.8	15.3	224	17.6	16.9
1999	316 244	158	15.5	16.0	189	17.2	16.9	221	19.4	17.7
2000	313 250	156	13.9	14.3	187	15.2	15.7	219	16.8	16.8
1998-2000	**949 758**	**474**	**14.6**		**568**	**16.1**		**664**	**17.9**	

On an intermediate basis, FDA will track and analyze time to approval and look at a rolling three year average for the fastest 70 percent of original generic drug applications approved for the interim years, and the Agency will track the timeliness of implementation of a variety of program activities intended to improve the quality and efficiency of FDA review and interactions with sponsors, and to improve the quality of applications submitted by sponsors. These factors are expected to impact the time to marketing approval or tentative approval. The target cohort FY 2005 - 2007 submissions is chosen because the Agency expects to see a return on these efforts by that point in the future.

4. What FDA Centers are covered by this goal? CDER and ORA

The baseline and target both consist of a three year cohort of original generic drug application submissions using the fastest 70 percent approved per year.

How are FDA activities linked to achievement of this goal?

FDA will achieve this goal through enhancements to the generic review program made with increased resources to speed generic drug application review. In FY 2003, FDA received a $5.3 million increase to improve review times for product applications within six months and decrease the median time to full approval on generic drug applications. FDA will do this by using the resources to:

- Hire additional reviewers and staff that support the Office of Generic Drugs to accelerate the review and approval of Abbreviated New Drug Applications-ANDAs.
- Make technology upgrades needed to meet the expected increase in generic drug applications.
- Hire additional inspectors to increase inspections of domestic and foreign firms by 15 percent, and provide for team inspections, with both a reviewer and inspector, to increase efficiency.

This will allow the Agency to set a more challenging goal of reviewing 85 percent of ANDAs within 6 months after submission, and increase inspectional coverage of imported generic drugs by 10 percent so that FDA can better monitor the quality of finished drug products and bulk drug substances entering the U.S. from overseas in FY 2004. Activities for FY 2004 include:

- Some efforts to develop manufacturing monographs and methods for demonstration of bioequivalence, so that generic drug products can be developed in additional product areas e.g., for topical and inhalation dosage forms and complex drugs.
- A few additional staff were hired to complete review and action on 85 percent or better of original applications within 180 days and decrease the median time to full approval.
- Hire more field investigators for inspections of generic manufacturing firms to allow for faster action on generic drug applications.
- Some efforts to enhance Office of Generic Drugs IT capabilities to support electronic submissions for generic drug applications and expansion of electronic review efforts.

In addition to the review process changes, on December 8, 2003, the President signed as part of the Medicaid Bill the “Access to Affordable Pharmaceuticals Act” which limits the number of 30-month stays of approval that can be imposed upon the ANDA. FDA’s new rule regarding 30-month stays was superceded by the Act. However, FDA’s revisions to the patent listing process will remain and should decrease the number of patents that are submitted to FDA for listing which may result in an overall decrease in the time to effective approval for ANDAs. The Act was signed on December 8, 2003 and applies to ANDAs pending as of August 18, 2003

- FDA's proposal and the Act should speed generic drugs to market, achieving billions of dollars of savings for American consumers. When implemented, consumers should save approximately $35 billion over ten years.

- Specifically, the Act permits, in most instances, one thirty-month stay per generic drug application for patents that were listed at the time the ANDA was submitted if the ANDA applicant challenges the validity or states it does not infringe the patents. FDA’s rule, clarifies that certain patents can't be listed, and beefs up the declaration innovators must make about the patents they submit to FDA for listing in the Orange Book.

- Currently, FDA regulations allow multiple and successive 30-month stays on each application. Under the Act FDA will impose one 30-month stay per Abbreviated New Drug Application. However, there may be some instances when more than one 30 month stay will be applicable. One 30-month stay will speed up approval of applications for generic drugs.

- The rule clarifies that certain types of patents may not be submitted to FDA for listing in its "Orange Book."

- The rule strengthens the signed declaration accompanying the patent submissions to cut down on patents that should not be listed in the Orange Book. The detailed declaration would ensure that the listing is appropriate from the "face" of the declaration without FDA having to review the patent.

- The rule was published on June 18, 2003 and was effective on August 18, 2003.

8. Why is achievement of this long-term outcome goal important? FDA achievement of this goal will create earlier access to lower cost drug alternatives for patients. The high cost of drugs limits patient access to treatment. The lower income and uninsured populations are particularly affected.[5,6] Research has shown that 42 percent of the uninsured do not fill prescriptions because of financial reasons. While all state Medicaid programs provide outpatient prescription drug coverage, slightly more than one in four Medicaid patients ages 18-64 could not afford to fill at least one prescription, according to a study by the Center for Studying Health System Change (HSC). Increasing the availability of generic drugs will make many important treatments more affordable to the poor and the elderly and significantly improve access to treatment.

Prescription drug expenditures remain one of fastest-growing segments of the U.S. health care system. In 2001, a 13.8 percent increase in drug spending accounted for one-fifth of the overall increase in health care spending. State Medicaid programs are particularly challenged with controlling escalating cost of pharmacy benefits and are in serious need of more generic alternatives to high cost brand name drugs to both reduce costs and increase access to treatment. Medicaid spending on outpatient drugs has increased by 18 percent a year from 1997 - 2000, which is close to three times greater than increases in medical care spending.[7]

Optimal access and use of generic drugs will enable policy decision makers to contain costs in both the Medicare and Medicaid programs. This will only become more important as more of the top selling brand name drugs go off patent over the next few years and if legislation for a Medicare drug benefit is passed by Congress. The National Institute for Healthcare Management has estimated that Medicaid programs could save $1 to $1.5 billion over the next few years if they were to increase their share of generic drug use to 55 percent of their total drug spending. According to researchers at Brandeis University, if a Medicare drug benefit were to be implemented and the use of generic drugs represented 50 percent of the total prescriptions, approximately $250 billion would be saved over 10 years.[8]

Generic drugs are typically priced between 20 – 50 percent lower than brand name competitors, which represent a significant cost saving to consumers.

9. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? Greater access to generic drug alternatives will have a positive impact on public health, both on direct outcomes and more cost-effective allocation of health care resources. Research has shown that when patients have to spend more out-of-pocket on prescription drugs, they decrease their use of essential drugs and cost the health care system more by increasing use of other services. One study showed that elderly and welfare recipients reduced their use of essential drugs following a policy that required them to spend more on prescription drugs. This resulted in a significant increase in serious adverse events associated with poor disease control and an increase in emergency room visits.[9]

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[6] Stuart B, Grana J. Ability ot pay and the decision to medicate. Med Care 1998 Feb;36(2):202-11.

[7] A Primer: Generic Drugs, Patents, and the Pharmaceutical Marketplace. National Institute for Health Care Management Research and Educational Foundation, June 2002.

[8] Greater Use of Generics: A Prescription for Drug Cost Savings. The Schneider Institute for Health Policy, Brandeis University, January 2002.

[9] Tamblyn R et al. Adverse events associated with prescription drug cost-sharing among poor and elderly persons. JAMA. 2002 May 9;285(4):421-9.

Drug prices also have a substantial effect on the amount of health that can be purchased with a certain budget, especially among elderly people with several health conditions. For example, $1 million spent on a generic statin yields 90 years of life for patients aged 75 to 84 with a history of myocardial infarction, assuming the cost of a generic statin is 40 percent below the average wholesale price (AWP) of a brand name statin. At the AWP of the brand name statin, the number of life-years for $1 million spent results in 48 years of life.[10]

7. What types of data already exist for measuring this long-term outcome goal? FDA maintains a tracking system for generic drug applications and FDA review times; this data will be used to measure the accomplishment of the long-term goal. Because there is a delay from the time of submission to approval of 70 percent of the submission cohort, the Agency anticipates that the data will be available to evaluate performance for these long-term goals in FY 2009.

8. What types of new data sources would be needed to measure progress on this long-term outcome goal? Progress toward achievement of the goal will be tracked through existing review tracking and enhancements associated with the activities outlined above.

9. Why is this target a stretch? Whether or not a product can be approved in a shorter time period depends on whether the application contains sufficient, scientifically valid information on safety and effectiveness to meet the Agency's standards for approval.

As deficiencies are noted during the review of an application, the Agency attempts to work with the company to address these deficiencies. FDA believes that reducing deficiencies to a minimum prior to application submission would result in the most efficient use of Agency and company resources and would facilitate getting scientifically-substantiated, well-manufactured products to patients as quickly as possible.

The Agency cannot guarantee that sponsors will follow FDA guidances or advice, or respond quickly and completely to noted deficiencies. Achieving this goal requires not only that FDA improve its own performance, and work more efficiently and effectively, but essentially work to improve the performance of the drug sponsors as well. Achievement of the goal is also impacted by the rate of submission of new applications for review by the Office of Generic Drugs which has been increasing.

Achieving this goal will effectively shift the approval cohort so that average time to approval for 70 percent of the submission cohort in FY 2005 - 2007 will be accomplished in basically the same time frame achieved today for only 50 percent of the submission cohort.

10. How does this target serve Department priorities? This FDA goal supports the DHHS priorities of preventing disease and illness and promoting positive life styles, increasing access to health services, improving the quality of care and closing the health disparities gap by making available more affordable therapy alternatives.

11. What measurable progress have we made toward this goal?

Last year CDER calculated the baseline data for this goal, time to approval for the fastest seventy percent of applications approved for FY 1998 – 2000. This year CDER has calculated the time to approval for the fastest seventy percent for the time period FY 1999 – 2001. *The results, provided in the following table, show that the mean approval time for the fastest 70 percent of applications reviewed was reduced by 0.2 months.*

[10] Russell LB, Wolff N. The impact of drug pricing policies on the health of the elderly. Am J Prev Med 2002; Apr(3):151-5.

Long Term Outcome Goals

Approval Time Statistics
Based on Fastest 70 Percent Approval Times

Fiscal Years 1998 - 2003

(As of March 31, 2004)

Year	Sub-missions	Currently Approved	First 50% Approved			First 60% Approved			First 70% Approved		
			N	Mean	Median	N	Mean	Median	N	Mean	median
1998	320	264	160	14.3	14.0	192	15.8	15.3	224	17.6	16.9
1999	316	244	158	15.5	16.0	189	17.2	16.9	221	19.4	17.7
2000	313	250	156	13.9	14.3	187	15.2	15.7	219	16.8	16.8
2001	298	221	149	13.3	13.2	178	14.8	14.5	208	16.7	15.9
2002	339	221	169	12.4	11.9	203	13.8	13.5			
2003	425	96									
1998-2000	949	758	474	14.6		568	16.1		664	17.9	
1999-2001	**927**	**715**	**463**	**14.3**		**554**	**15.8**		**648**	**17.7**	

Performance Goals

- FDA exceeded its goal for FY 2003 acting on 90 percent of original applications.
  - The office has engaged in several activities to refine the overall review process to assist in dealing with the record numbers of applications submitted and approving products more rapidly.
  - Reviewers are increasing their use of the telephone to clarify points such as location of data, typographical errors, etc., in applications to allow more timely completion of reviews.
  - Some recommendations from a consultant hired in 2003 to do process mapping are being incorporated into the review process. For example, several recommendations involved more extensive use of Project Managers in the chemistry review process. Procedures have been developed to change the process.

- Increased staff:
  - Director of Science, several chemistry reviewers and managers, a Medical Officer, and regulatory management officers have been hired.
  - Compliance and legal support to the Office of Generic Drugs (OGD) was expanded. The increased staff was critical in reducing review times for ANDAs/ generic drug applications and granting approval as quickly as possible.
  - For further details see Marking Approval for Generic Drugs Update and Appendix A of the Performance Plan.

- Research conducted:
  - A contract has been let in April of 2004 for a Phase II study on the development of system to assess the therapeutic equivalence of topical products.
  - Also in April of 2004, a contract has been let to investigate novel clinical methods for bioequivalence studies of inhaled corticosteroids.

  - For further details see Marking Approval for Generic Drugs Update and Appendix A of the Performance Plan.

- Technology upgrades:
  - OGD continues to provide PC hardware enhancements to support for electronic submissions (e.g., dual monitors).
  - OGD is included in the current development of the electronic Common Technical Document (CTD) review tool and provided training to industry on the CTD in a workshop in April of 2004.
  - For further details see Marking Approval for Generic Drugs Update and Appendix A of the Performance Plan.

Quality Systems
To help FDA reviewers keep up with the latest relevant developments in the biomedical, statistical, and risk assessment sciences, to provide the highest quality of safety review, to continue to improve efficiency in its operations, and to attract and retain the best possible scientific talent, FDA is committed to the full implementation of a continuous learning/ quality systems approach to medical product reviews. This is needed to address identified and potential inconsistencies in the review process within review organizations and across review organizations; a lack of consensus among expert reviewers on what constitutes "quality review"; opportunities to provide better and more relevant training for review staff and review managers; institution of peer review of the review process and content, and better support for rigorous scientific review through better analytic tools.

Advanced scientific education
- The program grew from seven activities offered in 1997 to more than 40 in science and science policy.
- We offer 44 courses in job skills, research tools, leadership and management.
- All CDER reviewer participants, including generics reviewers, increased six-fold, from about 250 in 1997 to 1,500 currently.

Long-term Outcome Goals for Strategic Goal 2: Empowering Consumers for Better Health

Increase Consumer Understanding of Diet-Disease Relationships

1. What is the proposed long-term outcome goal? The goal is to ***increase consumer understanding of diet-disease relationships, and in particular, the relationships between dietary fats and the risk of coronary heart disease (CHD), the leading cause of death in the U.S. and one that disproportionately affects African-Americans and Hispanics.***

2. What are the proposed targets and the proposed date for full accomplishment? The proposed target for this goal calls for the following:

- Between 2004 and 2007, FDA will increase, by 40 percent, the percentage of American consumers who correctly identify that trans fat increases the risk of heart disease.

- Between 2004 and 2007, FDA will increase, by 10 percent, the percentage of American consumers who correctly identify that saturated fat increases the risk of heart disease.

- Between 2004 and 2007, FDA will increase, by 10 percent, the percentage of American consumers who correctly identify that omega-3 fat is a possible factor in reducing the risk of heart disease.

Little data are available at present to provide baseline information that clearly demonstrates the current levels of consumer understanding of the relationship between the risk of coronary heart disease (CHD) and consumption of saturated, trans, and omega-3 fats[17]. FDA proposes to develop baseline performance indicators of consumer understanding of the relationships between saturated fat, trans fat, and omega-3 fat). The baseline indicators will come from a near-term nationally representative telephone survey in 2004. The performance indicators will be obtained again in 2007 via the periodic Health and Diet Survey (HDS) conducted by FDA. By comparing the 2004 and 2007 indicators, FDA will be able to identify and measure an incremental improvement in consumer understanding,

3. Which FDA Centers are covered by this long-term goal? CFSAN has responsibility for food labeling and is most directly involved in achieving this goal.

4. Why is achievement of this long-term outcome goal important? CHD is the leading cause of death among Americans, accounting for more than 1 in 5 deaths annually. CHD is also the leading cause of premature, permanent disability in the labor force. Dietary factors, especially fats, play a significant role in CHD risk.

5. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? One modifiable factor that is important for reducing mortality and morbidity associated with heart disease is consumer understanding of the consequences of dietary choices with respect to CHD. Increased understanding will strengthen motivation to adopt and to maintain recommended healthy dietary behavior and to make informed dietary choices.

6. What types of data already exist for measuring this long-term outcome goal? CFSAN has collected data on consumer understanding of diet-health relationships for more than a decade as part of its

HDS. The HDS is a random-digit-dialing telephone survey of nationally representative samples of English speaking non-institutionalized adult Americans.[18]

The only data that already exist for measuring the long-term outcome goal come from consumer responses to a pair of questions in the 2002 HDS. The first question specifically asks consumers about awareness of trans fat:

Q: Have you heard of trans fatty acids, also called trans fat?

There is a follow-up question to this question concerning the relationship between trans fat and blood cholesterol:

Q: Do trans fatty acids raise blood cholesterol, lower blood cholesterol or have no effect on blood cholesterol?

The responses to these questions in 2002 indicated that only 34 percent (+/- 1.8 percent) of Americans had heard of trans fats; of that 34 percent, only 37 percent (+/- 2.9 percent) (i.e., 13 percent of all Americans) were able to correctly identify that trans fatty acids raise blood cholesterol.

The 2002 HDS provides a less clear picture concerning saturated fat, because of the wording of the questions. The response to the question "have you heard about different kinds of fat, like saturated fat and polyunsaturated fat" suggested 88 percent (+/- 1.2 percent) of Americans had heard of these fats. A follow-up question further suggested that, between saturated and polyunsaturated fats, 59 percent (+/- 2 percent**)** of the Americans thought saturated fat is "more likely" to raise blood cholesterol, 5 percent (+/- 0.9 percent**)** polyunsaturated is "more likely," and 24 percent (+/- 1.7 percent**)** both are likely.[19] However, because both saturated and polyunsaturated fats are mentioned in these questions, it is more difficult to generate comparable information on saturated fat as on trans fat.

There are no specific questions on omega-3 fat in the 2002 HDS. Thus, with the exception of the questions on trans fatty acids, there are no data that can be used as a baseline for the purposes of this exercise, i.e., for saturated fat and Omega 3 fatty acids.

7. What types of new data sources would be needed to measure progress on this long-term outcome goal? FDA needs to conduct a near-term survey in 2004 to establish baseline indicators. The indicators will be developed from consumer responses to a series of questions on the respective fat-cholesterol relationships. The questions asked about each fat will mirror the existing questions on trans fat in the 2002 HDS. Answers to these questions should be available in late 2004.

[17]We are discussing further the possibility of including in the survey instrument questions about mono- and polyunsaturated fats. The substantive reason to include these questions is to give FDA an understanding about consumer knowledge of the role of mono- and polyunsaturated fats in heart-healthy diets. In the absence of understanding of the beneficial effects of mono- and polyunsaturated fats, consumers only know to eat less trans and saturated fats. How such understanding would improve their diet is a matter of conjecture. Although there is currently no mandatory FDA labeling or specific educational action concerning mono- and polyunsaturated fats, FDA regulations require declaration of saturated fat in nutrition labels, and a recent final rule allows for the declaration of trans fat now, making it mandatory by January 1, 2006. Levels of omega-3 fatty acids may not be included in nutrition labeling, but may be stated outside the Nutrition Facts box.

[18] As is typical with telephone surveys, the response rates have been declining and are now 40.8 percent. FDA and OMB worked together to develop a series of measures used by FDA to maximize the response rate for the 2002 HDS.

[19] The follow-up question asks "which kind of fat is more likely to raise people's blood cholesterol level, saturated fat, polyunsaturated fat, both, or neither?"

8. Why is this target a stretch? FDA anticipates a reasonable gain in the percentage of consumers who correctly identify that trans fat increases blood cholesterol, in light of the new rulemaking and ANPR. With saturated fat, the gain will be more modest because consumer awareness of the saturated fat-cholesterol relationship is already relatively high; increasing this awareness will depend in part on preventing consumers' confusion about saturated fat following the new trans fat rulemaking and ANPR. Consumer groups have raised concerns, based on limited data, that when consumers are informed about the health risks associated with trans fats, they may come to think trans fats pose a greater risk than saturated fats, which are more prevalent in U.S. diets and are also unhealthy. In addition, there are multiple public and private sources of nutrition information; these sources may have different priorities for consumer nutrition education in competition with FDA. FDA also anticipates a modest gain in the number of consumers who correctly identify that omega 3 fats are a possible factor in reducing blood cholesterol. Increases in consumer awareness will result in part from industry's adoption of the voluntary FDA qualified health claim for omega 3. This gain will be limited because the qualified claim for omega 3 will appear on a relatively small number of foods.

9. How does this target serve Department priorities and goals? The target is directly in line with several of the Department's priorities and strategic goals. First, improving the American diet through informed choice about fats that increase or reduce the risk of heart disease is one of several important steps toward reducing the enormous morbidity and mortality burden of CHD. This burden is borne disproportionately by minority populations, including African-Americans, Hispanics, and Native Americans. As the leading cause of death and a significant cause of illness and disability, CHD also imposes substantial costs on the U.S. health care system.

10. What measurable progress have we made toward this goal?

Obtaining Baseline Measures

A primary and critical initial action is to obtain baseline indicators against which we can measure our progress toward achieving the long-term goal. While we have years' worth of periodic survey data about consumers' understanding of the relationship between saturated fats and health, we do not have consumer data concerning the specific fats-cardiovascular health relationship.

- To collect these more specific baseline data, we have drafted a random-digit-dial telephone survey that measures consumers' awareness of trans, saturated, and omega-3 fatty acids and knowledge about their relationships with cardiovascular disease. This will survey a nationally representative sample of English-speaking non-institutionalized adult Americans.

  - FDA received OMB clearance to conduct this survey in September, 2004. Consequently, we are on track to have the survey results available by the end of 2004 or beginning of 2005.

  - This will provide us with data about consumers' specific perceptions from 2004. However, these data will already be affected by Agency actions taken in 2003 - 2004. We also have some data from a 2002 national survey that we hypothesize will run parallel to the 2004 data and will provide an earlier baseline measure.

Improving Nutritional Information in Labeling

Regulatory Framework. In July 2003, FDA issued the Task Force report "Consumer Health Information for Better Nutrition Initiative" (CHIBN). This report provides an overall draft regulatory framework that we expect will contribute to achieving the long-term goal by optimizing information on food labeling regarding the value of a food's nutrients in improving cardiovascular health. Specifically, this framework

expands the range of allowable statements on labeling about the benefits of specific nutrients, by permitting claims even when the evidence is not conclusive. The framework is consistent with FDA's decision in February 2002, to accept a qualified claim about the relationship between omega-3 fats and cardiovascular disease: "Consumption of omega-3 fatty acids may reduce the risk of coronary heart disease. FDA evaluated the data and determined that, although there is scientific evidence supporting the claim, the evidence is not conclusive."

As part of the Task Force report, FDA described a consumer studies research agenda to provide guidance to FDA and industry about consumers' understanding of qualified claims and how to optimize the communication effectiveness and wording disclaimers about the level of scientific evidence supporting a claim.

Rulemaking. In July 2003, in addition to issuing the CHIBN Task Force report discussed above, FDA took the following actions.

- Published a final rule requiring, by January 1, 2006, that manufacturers list trans fat content on their products' Nutrition Facts Panels (NFP) for foods, and also on relevant Supplement Facts Panels (July 11, 2003).

- Published an advance notice of proposed rule-making (July 11, 2003) asking for comments and data to inform decisions on whether to establish additional food label requirements
  - about trans fat content, both alone and in conjunction with saturated fat information; and
  - about claims to enhance consumer understanding and use of labeled information to make healthy food choices.

Consumer Research. As planned in the CHIBN Task Force report, FDA is in the process of examining consumer perceptions about qualified health claims and how best to present these to optimize consumer understanding.

- FDA is in the process of analyzing and interpreting the data from an experiment that examined consumer perceptions of formats for displaying qualified health claims. These data, along with data from private sector research are being prepared for internal dissemination to guide decision-making concerning the interim framework set up in the CHIBN report.

- FDA has also obtained OMB clearance for two experimental consumer studies to evaluate selected options for labeling statements on consumers' abilities to understand and use trans fat information and claims on foods' NFP and on other parts of the food label. We expect to begin data collection for these studies starting in November 2004. The results from these 2 studies will be used to guide disclosure requirements in future rulemaking concerning trans and saturated fats disclosures.

- The results from all 3 of these studies will help FDA improve its development of nutritional information and optimize the understandability of food labeling for usefully and accurately communicating product benefits and risks.

Educational Activities. FDA has already engaged, and plans to continue engaging, in directed activities to educate the public on the dangers of trans and saturated fats, and to encourage manufacturers to provide qualified claims regarding the value of omega-3 fats in possibly reducing the risk of heart disease. In this vein, FDA has done the following.

Long Term Outcome Goals

- Extensively publicized its July 2003 Trans Fat final rule issuance and Task Force Report through an HHS News Release and other press activities. By doing so, FDA precipitated extensive front page and health section newspaper coverage.

  - **The message that often-hidden trans fatty acids in foods contribute to heart disease risk** was reported in the *Associated Press* and across the country in major papers like the *Washington Post, USA Today, NY Times, Wall Street Journal, Boston Globe, LA Times,* and *San Francisco Chronicle*. It also appeared in the *Detroit News, Detroit Free Press, News Observer (Warsaw, NC),* the *Tennessean,* the *Orlando Sentinel,* and the *Houston Chronicle*. Altogether, FDA's Clipping service, which looks for mentions of FDA only, in the time period from July 9-23 identified 27 articles concerning the trans fat final rule.

  - Another 8 articles focused on **FDA's framework for allowing qualified health claims**; these appeared in the *Associated Press, Washington Post, NY Times, Wall Street Journal, USA Today, Reuters, LA Times,* and *Detroit Free Press*.

  - Other coverage that did not mention FDA or was only in very small media outlets is likely to have been missed. Further, we are unable to assess radio and television coverage.

- Established an FDA web site that highlights and provides extensive information about these regulatory actions and proposals: http://www.fda.gov/oc/initiatives/transfat/. The site includes the press release and FDA backgrounder; information for consumers, examples of food labels with trans fat information, extensive Questions and Answers on trans fats and the regulation, and a trans fat radio spot and transcript. **Since July 2003, the home page for this site has received at least 60,000 visits. During this same time period, the Qs & As page (which can be reached through different paths) has received almost 82,000 visits.**

- Established an FDA/CFSAN web site article to show consumers in graphic format what the new label will look like, to provide educational information about trans and other fats, and how to use the label to make heart-healthy food choices. Since debuting in mid-January, this web document (http://www.cfsan.fda.gov/~dms/transfat.html) **has received over 36,000 visits**. Notification of the availability of this article was publicized in FDA's *Dietary Supplement/Food Labeling Electronic Newsletter*, which has between 14,000 and 15,000 subscribers.

- Published an article on trans fats in the September/October 2003 issue of the *FDA Consumer*. Also provided the article on FDA's web site: http://www.cfsan.fda.gov/~dms/fdatrans.html. Between subscriptions to the print magazine and visits to the FDA web page with this article, **more than 25,000 people were exposed to this information**.

- Published an article on trans fats in the Winter 2004 "*FDA and YOU*" newsletter. In the third week in April 2004, 62,000 postcards were sent to health educators publicizing *FDA and YOU*, and sending them to FDA's web site, where the Winter issue is the first issue they would see. Currently, FDA directly notifies 500 people when an issue is published, but expects to be expanding that number.

- Also produced an FDA "Patient Safety News" video webcast, designed for health care professionals, that addresses the new rules (http://www.accessdata.fda.gov/scripts/cdrh/cfdocs/psn/transcript.cfm?show=19#10). As medical product-focused outlets, the webcast and newsletter channels are designed to reach different audiences than those likely to be reached through normal "food-related" channels.

- Provided FDA field Public Affairs Specialists (PASs) with a slide show, script, and related educational materials about the new trans fat labeling requirements to help them reach their stakeholders. The PASs report use of the slide show and/or trans fat materials at a multitude of meetings, ranging from small groups of dietitians and food science students, bakers, high school and college students, drug rehabilitation attendees, Girl Scouts, community leaders, legislators, diabetics, native Americans, Mexicans, and Latinos to larger groups of company employees and at national meetings. The number of people exposed in this face-to-face interactive manner adds up to the thousands.

Long-term Outcome Goals for Strategic Goal 3: Patient and Consumer Protection

Reducing Adverse Drug Events

1. What is the proposed long-term outcome goal? ***By 2008, FDA will aim for an 11 percent reduction in adverse drug events related to medication dispensing and administration errors in 50 percent of hospitals in the U.S. by requiring bar codes on drugs and biologics used in hospitals which will increase the uptake and use of bar code scanners in hospitals.***

2. What are the proposed targets and date for full accomplishment? By 2008, reduce adverse drug events related to medication dispensing and administration errors by 11 percent in 50 percent of hospitals, as measured by bar code scanner adoption in the hospital marketplace.

3. Which FDA Centers are covered by this long-term goal? In an effort to improve patient safety in the hospital setting by reducing medication errors, the Food and Drug Administration (FDA) has published a proposed rule titled, Bar Code Label Requirements for Human Drug Products and Blood. FDA's regulation proposes to require bar codes on prescription drugs, over-the-counter drugs packaged for hospital use, vaccines, blood, and blood components. Therefore, this goal pertains to CDER and CBER, since they both regulate products impacted by the bar code rule.

4. Why is achievement of this long-term outcome goal important? In November 1999, the Institute of Medicine released a report estimating that as many as 98,000 patients die from medical errors in hospitals alone. Many of these deaths, as well as additional non-fatal illnesses, are associated with errors involving FDA regulated medical products, especially medications. A significant percentage of drug related mortality and morbidity results from errors that are preventable. In addition to their human cost, these errors impose significant economic costs on the U.S. health care system.

The Secretary of Health and Human Services has directed FDA to promulgate the bar coding regulation to reduce preventable errors from medical products. This rule is anticipated to enable the uptake and use of bar code scanners that will allow a health professional to compare the bar code on a human drug product to a specific patient's drug regimen and then verify that the right patient is receiving the right drug, at the right dose, via the right route, at the right time. Research to date has demonstrated the ability of bar code scanners at the point of care to intercept errors in dispensing and administration of medication and prevent related adverse events. The implementation of this rule will be a big step forward for FDA in improving patient safety. The total cost of preventable adverse events has been estimated at $17 Billion.[20] Preventing 11 percent of adverse drug events related to medication errors in half of all the hospitals in the U.S. will significantly reduce the related morbidity, mortality and health care costs.

5. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? Adverse drug events (ADEs) result in more than 770,000 injuries and deaths each year and cost up to $5.6 million per hospital.[21,22,23] Over 7,000 died from medication errors in 1993

[20] The Institute of Medicine report: *To Err is Human, Building a Safer Health System.*

[21] Bates DW, Spell N, Cullen DJ, et al. The costs of adverse drug events in hospitalized patients. *JAMA* 1997;277(4):307-11.

[22] Bates DW, Cullen DJ, Laird N, et al. Incidence of adverse drug events and potential adverse drug events. *JAMA* 1995;274(1):29-34.

[23] Raschke RA, Collihare B, Wunderlich TA, et al. A computer alert system to prevent injury from adverse drug events. *JAMA* 1998;280(15):1317-20.

alone as evidenced by a review of U.S. death certificates.[24] Although the incidence of ADEs and their effect on costs have been investigated in only a few hospitals in the United States, the implications are clear from published results that ADEs constitute a widespread problem that causes injuries to patients and disproportionately increases expenses. On average, ADEs increase the length of stay by as much as 4.6 days and increase costs up to $4,685 per patient.[25]

About 45 percent of the ADEs are caused by errors that occur in dispensing or administering pharmaceuticals. According to published reports and consultants, bar code point of care systems have interception rates of between 20 and 80 percent (current interception rates are between 0.3 and 4.5 percent). We expect that 50 percent of currently unintercepted dispensing and administration errors will be identified with a bar code system. FDA estimates that the bar code rule, once implemented, will enable the adoption and use of bar coding scanners at the point of care and result in 413,000 fewer adverse events over the next 20 years.

6. What types of data already exist for measuring this long-term outcome goal? The American Society for Health Systems Pharmacists conducts a national survey of pharmacy practice in acute care settings that pertain to drug dispensing and administration practices which also captures point of care systems such as bar coding scanners. The 1999 survey was the basis for the impact analysis for the bar code rule. The 2002 ASHP national survey was based on a stratified random sample of pharmacy directors at 1,101 general and children's medical-surgical hospitals in the United States surveyed by mail. SMG Marketing Group, Inc., supplied data on hospital characteristics; the survey sample was drawn from SMG's hospital database. The response rate was 46.7 percent. Despite widespread recommendations to use barcode technology to check and document doses administered, only 1.5 percent of hospitals used this technology in 2002, an increase from 1.1 percent in 1999.[26]

As summarized above, the published literature provides baseline estimates on unintercepted medication dispensing and administration errors as well as the percent of ADEs caused by them. In addition, studies to date have reported interception rates use to project the impact of bar coding scanners on preventing errors and ADEs, although these rates are highly variable and highlight the need for additional research.

7. What types of new data sources would be needed to measure progress on this long-term outcome goal? FDA plans to partner with the Agency for Healthcare Quality and Research (AHRQ) to evaluate the impact of the bar coding rule. We need to obtain reliable estimates of medication error interception rates at various hospitals, with and without bar coding technology, to extrapolate results with greater certainty and external validity.
FDA will also plan to supplement the ASHP survey with data from manufacturers and other stakeholders that will allow for a more reliable estimate of bar code scanner adoption and use.

[24] Phillips et al. Increase in US Medication-Error Deaths between 1983 and 1993. Lancet. 1998 351:643-644.
[25] Bates, DW et al. The Costs of Adverse Drug Events in Hospitalized Patients. JAMA 1997 277:307-311.
[26] Pedersen CA, Schneider PJ, Scheckelhoff DJ. ASHP national survey of pharmacy practice in hospital settings: dispensing and administration--2002. Am J Health Syst Pharm 2003 Jan 1;60(1):52-68.

8. What measurable progress have we made toward this goal? Though only around 125 hospitals in the country (2 to 3 percent) currently use bar code technology, the Institute for Safe Medication Practices (ISMP), an independent, internationally recognized expert organization dedicated to the prevention of medication errors, found in a recent survey that "almost half of the respondents reported that they are actively engaged in discussing possible implementation of bar code technology, or have partially implemented this technology into some part of the drug use process (*ISMP Medication Safety Alert!* March 6, 2002, http://www.ismp.org/MSAarticles/Calendar/Mar02.htm)." ISMP found that, the "lack of machine readable code… was one of biggest barriers to starting BPOC [Bar code point of care] (http://www.ismp.org/rtb/documents/barcodetele1.ppt, 2003)." Further, they found that (ISMP bar code study of 350 Hospitals, March 6, 2002 issue, http://www.ismp.org/MSAarticles/Calendar/Mar02.htm):

- Nearly 50 percent of participants in the study said they are actively discussing the acquisition of bar code systems.
- Hospital Corporation of America (HCA) intends to have all of their 200 hospitals equipped with bar coding technology by 2005 (4 percent of U.S.).
- Veterans Affairs intends to have all of its 162 acute care facilities equipped with bar coding technology (3 percent of U.S.).
- Many major group purchasing organizations (GPOs), such as Premier, Novation, VA, are now demanding bar codes on medication packages

A recent leadership survey conducted by the Healthcare Information Management System Society reports that 42 percent of hospital chief information officer respondents named bar coding a top IT priority for the next two years (http://www.himss.org/2004survey/ASP/healthcarecio_final.asp). The University of Wisconsin started deploying a medication management system, which incorporates bar codes, in December 2001. The hospital reports an 87 percent reduction in the number of medication errors (http://infosolutions.mckesson.com/himsspatient/survey.asp).

To advance the implementation of bed side bar coding technology, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has proposed that hospitals would have to develop a plan for implementing bar code technology at the bedside, to be operational by January 2007. Under a proposed expansion to the JCAHO patient safety goals, which hospitals must meet as part of the accreditation process, adopting bar code readers would become part of an overall goal of improving patient identification (http://www.jcaho.org/accredited+organizations/patient+safety/05_hap_npsg.pdf). Since the FDA published regulations in February 2004 requiring drug manufacturers to add bar codes to medication, the JCAHO felt that they had the authority to now "mandate" the use of bed side bar coding technology to help prevent medication errors.

The American Society for Health Systems Pharmacists conducts a national survey of pharmacy practice in acute care settings every three years that pertains to drug dispensing and administration practices. This survey captures point of care systems, such as bar coding scanners. The 1999 survey was the basis for the impact analysis for the bar code rule. The survey is conducted on a three year cycle. The 2002 ASHP national survey found that, despite widespread recommendations to use barcode technology to check and document doses administered, only 1.5 percent of hospitals used this technology in 2002, an increase from 1.1 percent in 1999. The next survey to include information on bar coding will be conducted in 2005.

Long-term Outcome Goals for Strategic Goal 3: Patient and Consumer Protection

Increase the Patient Population Covered by Active Surveillance

1. What is the proposed long-term outcome goal? ***Increase by 50 percent the patient population covered by active surveillance of medical product safety by 2008.***

2. What are the proposed targets? 50 percent increase in the patient population covered by active surveillance

3. What is the proposed target date for full accomplishment? 2008

4. Which FDA Centers are covered by this long-term goal? All Centers that regulate medical products with planned or ongoing active surveillance programs are covered by this goal – specifically, this includes CDRH, CDER, and CBER.

5. Why is achievement of this long-term outcome goal important? Historically, FDA has relied on spontaneous reporting systems to ascertain risks associated with regulated medical products, and more recently dietary supplements and foods. However, there is considerable evidence that the spontaneous reporting systems for adverse events and medical product problems do not allow for an adequate characterization of the true safety profile for these products. These systems largely depend on health care providers taking time away from the delivery of health care to complete reports, which means there are many adverse events that go unreported. In addition, many events that are reported may be coincidental, not causally related to the use of the product. However, these systems can provide valuable information, particularly on rare, serious adverse events that may be caused by the product.

The Agency needs to maximize the efficiency and effectiveness of the spontaneous reporting systems, and at the same time increase active surveillance through prospective data collection through hospitals participating in MedSun, CDC surveillance systems and direct access to safety data through health care providers' information systems. Active surveillance will allow FDA to better ascertain risks associated with medical products and focus its resources on the highest impact problems.

6. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? Active surveillance will allow for more rapid identification and analysis of adverse events which are two important objectives in the Agency's strategic plan. If we want to speed up the process of risk assessment and control, we need to build our capability to actively monitor a greater proportion of the patient population in the U.S. One of the most important new strategic directions for the Agency in this area involves speeding access to data that will allow us to understand risks and prevent adverse health outcomes. It is not easy to quantify or project how specific active surveillance programs will result in a reduction in morbidity and mortality, but the more patients using medical products FDA actively monitors the better able the Agency will be to warn and caution health care providers and patients about serious safety problems and minimize risks.

7. What types of data already exist for measuring this long-term outcome goal? Our primary active surveillance program is MedSun. CDRH can obtain an estimate of the population covered by MedSun but we currently do not have an estimate on the size of the patient population admitted to health care facilities participating in MedSun. To increase the population covered by active surveillance by 50 percent we will also have to expand active surveillance of drugs and biologicals through other programs or partnerships. In our strategic plan we included the addition of drug and device modules to ongoing

active surveillance systems and we also plan to launch an automatic data collection project with select health care providers across the country.

8. What types of new data sources would be needed to measure progress on this long-term outcome goal? To determine the size of the population covered by active surveillance, FDA will calculate the number of health care encounters at the health care facilities that actively or automatically collect data on medical product safety. Specifically the Agency will need to:

- Obtain the annual number of admissions for each healthcare facilities participating in MedSun.
- Determine the number of patients monitored in hospitals participating in the National Electronic Injury Surveillance System, once drug and device modules have been added to the system.
- Determine the number of patients in health care facilities during automatic data collection projects.

9. What measurable progress have we made toward this goal? To determine the size of the population covered by active surveillance, FDA calculates the number of health care encounters at the health care facilities that actively collect data on medical product safety. Specifically the Agency:

- Obtains the annual number of admissions for each of our active data collections programs, particularly for the healthcare facilities participating in MedSun.

- Determines the number of patients monitored in hospitals participating in the National Electronic Injury Surveillance System.

- Determines the number of patients in the Medicare Patient Safety Monitoring System.

In **MedSun**, the number of admissions covered increased significantly. The number of admissions reported for the beginning of FY 2003 was 16,645,345. The number of admissions for the beginning of FY 2004 is 53,198,046. The increase is 36,552,701 admissions covered – **an increase of over 200 percent.**

Additionally, the Connecting for Health project is a pilot collaborative project among three large, urban tertiary care facilities. Through this project, FDA receives signals generated from the participating site's electronic medical record data when certain criteria are met (e.g., pregnant female taking isotretinoin). **Last year, the sites had a combined 150,000 discharges.**

The National Center for Injury Prevention and Control (NCIPC), Centers for Disease Control and Prevention (CDC) is collaborating with the U.S. Consumer Product Safety Commission (CPSC) to expand the National Electronic Injury Surveillance System (NEISS) to collect data on all types and causes of injuries treated in a representative sample of U.S. hospitals with emergency departments (ED). NEISS is a statistically valid injury surveillance and follow-back system operated by CPSC. The primary purpose of NEISS has been to provide timely data on consumer product-related injuries occurring in the U.S. In the year 2000, CPSC initiated an expansion of the system to collect data on all injuries. With the expansion, NEISS becomes an important public health research tool, not just for CPSC, but for users throughout the U.S. and around the world. NEISS comprises 63 participating sites, representing a random sample of US hospitals with 24-hour emergency departments. Thus, NEISS data are representative of the entire US. **Last year, the system covered 535,000 emergency room visits** – which, with the addition of drug and device modules, represent an entirely new active surveillance population for the Agency.

Moreover, CDC administers the National Hospital Ambulatory Medical Care Survey, **with a sample size of 37,337 patient visits from 396 emergency departments. Approximately 36 percent** of the **injuries were related to medical products**. Of these, approximately 7.1 percent involved an adverse event to a

single drug, and another 1.2 percent involved an adverse event to multiple drugs. Thus, approximately 1,100 of the 37,337 patient records involved an adverse drug event. Further, vaccines are a subset of these 1,100 drug adverse events – which allows CBER to identify potential signals.

The Agency has begun to use CMS's Medicare Patient Safety Monitoring System, which reviewed 40,620 randomly selected charts being evaluated to calculate payment errors under the Payment Error Prevention Program (PEPP). This is an additional source of information not previously available to us (the entire number is an increase).

Long-term Outcome Goals for Strategic Goal 4: Counterterrorism

Increased Analytic Surge Capacity in the Event of Terrorist Attack on Food

1. What is the proposed long-term outcome goal? The goal is to ***increase FDA's capacity to effectively analyze food samples for biological, chemical and radiological threat agents in the event of a terrorist attack.***

2. What are the proposed targets and the proposed date for full accomplishment?
FDA will need to develop laboratory testing capacity for biological, chemical and radiological threat agents. The determination of the number of Food Emergency Response Network (FERN) Laboratories needed to respond to a terrorist event involving foods was based on the development of a plausible scenario in which food was contaminated with a threat agent. Based on this scenario, FDA estimated that 50 state laboratories would be required to provide the needed surge capacity to respond to the attack. These 50 laboratories reflect laboratory capabilities for chemical and microbiological analysis rather than actual laboratory locations because some state laboratories will have capability to analyze samples for both types of agents at one location. If fully funded, these laboratories will be added incrementally between 2005 and 2008. Laboratories will need to have the ability to be operational 24/7, including two working shifts of trained personnel. Laboratories will use validated methods and have satisfactorily completed proficiency test samples. FERN laboratories will be geographically distributed by region according to the five proposed FERN Regional Coordination Centers. Funds provided in the Administration's FY 2005 Budget will initiate the effort. The goal is to have the following laboratory surge capacity by 2008:

Biological Samples (Known Analyte) 12,500 per week
Chemical Samples (Known Analyte) 6,250 per week
Radiological Samples 12,500 per week

3. Which FDA Centers are covered by this long-term goal? ORA and CFSAN have the responsibility for food safety and security and are directly involved in achieving this goal.

4. Why is achievement of this long-term outcome goal important? A critical component of controlling threats from deliberate food-borne contamination is the ability to rapidly test large numbers of samples of potentially contaminated foods for the presence of contaminants. Once the contaminant and food vehicle have been identified through food surveillance or outbreak investigation, FDA has primary responsibility for distinguishing contaminated food products from safe food products as quickly as possible to protect public health and mitigate disruption in distribution of important foods. Typically, laboratory analysis for a contaminant may involve two types of methods: screening methods, which are sensitive but which may also identify a number of false positives; and confirmatory assays, which can better confirm the presence of a contaminant. In some cases, samples are presumed positive and bypass the screening step. The use of screening or confirmatory methods requires time and labor and use of equipment. Increasing the number of samples that can be appropriately analyzed in a given period of time – the aim of this goal – can be accomplished in a range of ways including:

- Increase the number of laboratories capable of such analysis. For example, there are currently 8 FDA laboratories capable of doing a rapid screen of foods for approximately 50 toxic chemical compounds, and a handful of state laboratories with comparable capacity.
- Enhance the sharing of sampling results among laboratories through the use of eLEXNET (Electronic Laboratory Exchange Network).
- Develop new rapid screening and confirmatory methods.

The importance of surge capacity is illustrated by past experience with respect to a deliberate contamination event involving a non-food – the introduction of anthrax into the postal system in Washington, D.C. in 2001 – and the accidental contamination of orange juice in Arizona.

Testing would likely be necessitated under at least the following circumstances:

- Finished product testing of foods implicated in human illness;
- Finished product testing of food of the same lots as those implicated in human illness at various points in the production and distribution system;
- Finished product testing of food of lots produced in close time proximity to those implicated in human illness;
- Ingredient testing of lots of food implicated in human illness and lots produced in close time proximity to those implicated in human illness; and,
- Environmental testing in the various manufacturing and distribution facilities, including supermarkets, through which the ingredients and products passed, for purposes of assessing contamination and clean-up efforts.

5. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? Speed in identifying whether food is contaminated is critical to reducing the risk of death and illness resulting from human exposure. It is also critical to economic stability (recovery) in that news of contamination may lead to virtual boycotting of classes of products unless consumers can be assured that certain products are safe. Improvements in surge capacity will have public health value even in non-deliberate food contamination events.

6. What types of data already exist for measuring this long-term outcome goal? FDA knows the number of current laboratories capable of performing such analysis.

7. What types of new data sources would be needed to measure progress on this long-term outcome goal? The FERN infrastructure includes establishing a FERN National Program Office (NPO) to support FERN Programs (methods development/ validation, training, proficiency testing, national laboratory sampling, and electronic communication/ reporting) and establishing regional coordination centers to coordinate and manage FERN laboratory surveillance and response capacity/ capabilities. FDA is developing data to measure baseline performance.

8. Why is this target a stretch? At the present time, a limited number of detection methods have been developed for the detection of threat agents in foods. However, these methods have not yet been subjected to the robust inter-laboratory validation procedure necessary to assure their accuracy, reproducibility, and reliability. Accepted validation procedures require that for each agent and food, multiple analyses be done in a minimum number of individual laboratories. This performance goal would employ FERN laboratories to conduct the appropriate validation trials needed to certify the analytical methods that would be used by FERN laboratories to analyze foods for threat agents. In addition, the complexities of foods and their various compositions make it difficult to assume the method can be applied to a broad range of food commodities. Therefore, it is essential to validate food testing methods for additional food commodities to ensure that all performance criteria are satisfactory.

9. How does this target serve Department priorities and goals? This FDA long-term goal directly supports the Department's strategic goal to enhance the ability of the Nation's health care system to effectively respond to bioterrorism and other public health challenges. This goal further supports the first sub-goal: to build the capacity of the health care system to respond to public health threats in a more

timely and effective manner, especially bioterrorism threats by upgrading the Nation's laboratory capacity to quickly identify and characterize suspected biological threat substances and respond to actual incidents. In addition, this long term outcome goal supports the second sub-goal: to improve the safety of food, drugs, biological products, and medical devices by assuring the safety of the US food supply to protect consumers at the least cost for the public.

10. What measurable progress have we made toward this goal? FDA has made progress towards the goal in a number of areas.

- Established the FERN Steering Committee (federal, state representation) in September 2003. The FERN Steering Committee serves as an advisory and policy-recommending body for the FERN. It is composed of representatives from FDA, USDA, Centers for Disease Control and Prevention: Laboratory Response Network, National Animal Health Network, State Public Health Laboratory, State Agriculture Laboratory, State Veterinary Diagnostic Laboratory, Department of Defense, Environmental Protection Agency, and Department of Homeland Security.

- Established the FERN National Program Office to direct five Regional Coordination Centers, coordinate the FERN Support Programs, and manage the laboratory response in the event of a food related emergency.

- Brought 10 FDA laboratories for biological and/or chemical agents and 3 USDA laboratories into FERN. If fully funded, beginning with FY 2005, FDA will begin adding 50 state laboratories, and an additional 50 USDA laboratories to complete the network of 113 laboratories in FERN.

- Ninety-three (93) laboratories representing 43 States and Puerto Rico have satisfactorily completed the FERN Laboratory Qualification Checklist. The FERN Laboratory Qualification Checklist provides the FERN National Program Office (NPO) with vital information to determine if a laboratory meets the criteria for participation in FERN.

- A short-term surveillance sampling activity was conducted in April of 2004. It included 18 federal (FDA and USDA) and State laboratories collecting and analyzing specific food/analyte combinations. The primary objective of this FERN surveillance activity was to evaluate the current organizational infrastructure and test its communication, coordination and electronic reporting capabilities based on the issuance of two check samples to selected laboratories. This surveillance activity will also provide the necessary infrastructure for a national surveillance sampling program.

- The FERN Surveillance Assignment was issued on September 8, 2004 to 40 FERN Laboratories. This assignment assessed and demonstrated the effectiveness and capabilities of the FDA FERN Chemistry/Microbiology and Radiology laboratories and tested the operating mechanisms and protocols of the network.

- Created Standard Operating Procedures (SOPs) for the FERN Proficiency Testing Program which will evaluate the capability of laboratories to detect contaminants and ensure FERN laboratories can demonstrate ability to successfully conduct the analysis of CT samples. Proficiency test samples for *Bacillus anthracis* and Cesium were issued in the first quarter of FY 2005.

- Established an SOP for FERN Methods Evaluation and posted Interim Counterterrorism Methods on eLEXNET. The Method Evaluation process ensures, based on minimum standards, methods will provide consistent, repeatable results in food matrices.

- FDA and USDA are holding Regional Coordination Center (RCC) meetings to establish operational/communication guidelines within each FERN regional hub, communicate FERN objective, policies and current activities, enhance collaboration between FERN laboratories within a region, and provide an opportunity for individual regions to tailor response plans to their state policies and regional needs for interaction. The Northeast RCC Meeting was held in Amherst, MA on July 27-28. The Southwest RCC Meeting was held September 13-16 in Denver, CO. The Southeast RCC Meeting was held September 28-29 in Athens, Georgia. The Pacific and Central RCC meetings are targeted for early within FY 2005 as funds permit.

- Two FERN training courses were given in August 2004. A Real-Time PCR training was held in San Francisco, CA with 35 attendees from Federal, State, and local laboratories. A *Bacillus Anthraces* and *Salmonella* training was held in Athens, GA with 13 laboratory personnel from 13 International, Federal, State, and Local laboratories attending.

- Created FERN Journals on eLEXNET as a communication tool. The FERN Journals allow the FERN NPO to share current information, meeting minutes, documentation, and guidance information; FERN Subcommittees to conduct discussions, disseminate information, and develop documentation; and, FERN Participants to have a central location to check for information regarding activities

- Employed eLEXNET to communicate laboratory information. eLEXNET is an integrated secure system designed for federal, state and local agencies involved in food-safety activities. It is a critical system, adding a necessary infrastructure to provide an early warning system, to identify potentially hazardous foods and possibly, to identify or assess risks and analyze trends. There are 113 laboratories participating in eLEXNET, representing 50 states of which 79 laboratories are actively submitting data.

11. The following references show the link between our activities and the long term goal.

- **Increase the Number of Laboratories Capable of Detecting Microbiological, Chemical and Radiological Agents** – A Recipe for Stronger Food Safety Testing Programs; Association of Public Health Laboratories, Food Safety Laboratory Capacity Assessment Project; April 2003.
  − National Governors Association website, http://www.nga.org/nga/legislativeUpdate
  − "Will the Nation Be Ready for the Next Bioterrorism Attack? Mending Gaps in the Public Health Infrastructure," National Health Policy Forum, George Washington University, June 12, 2002.

- **Enhance the Sharing of Sample Data and Results Among Laboratories Through Partnering and Leveraging** – National Governors Association website, http://www.nga.org/nga/legislativeUpdate

- **Develop New Rapid and Confirmatory Methods for Detecting Agents** – "Will the Nation Be Ready for the Next Bioterrorism Attack? Mending Gaps in the Public Health Infrastructure," National Health Policy Forum, George Washington University, June 12, 2002.
  − Biological Threats and Terrorism: Assessing the Science and Response Capabilities, IOM, Jan 2002.

Long-term Outcome Goal for Strategic Goal 5: Improving FDA's Business Practices

Increase Efficiency and Effectiveness

1. What is the proposed long-term outcome goal? The goal is to reduce administrative overhead at FDA by reducing the number of administrative staff.

2. What are the proposed targets and the proposed date for full accomplishment? FDA proposes to ***reduce the number of administrative staff by 7.5 percent by the end of FY 2004 and further reduce [from current FY03 levels] by 15 percent by the end of FY 2005.***

Supporting data
FDA administrative/ HR system provides the data on the number of staff currently in administrative positions. The following are the series that the Agency counts as administrative versus non-administrative

Administrative positions include positions in the following series:
0000 – Miscellaneous[27], 0200 – Human Resources, 0300 – General Administration[28], 0500 – Budget and Finance, 1000 – Arts and Information, 1100 – Business, 1200 Copyright, Patent and Landmark, 1400 – Library and Archives, 1600 – Equipment and Facilities, 1700 – Education, 1900 – Quality Assurance and Inspection, 2000 – Supply, 2100 – Transportation, and 2200 – Information Technology

In addition to the mission/non-administrative positions identified by the Department which include positions in series: 0100 – Social Science, 0400 – Biological Science, 0600 – Medical and Public Health, 0700 – Veterinary Medicine, 0800 – Engineering and Architecture, 1300 – Physical Sciences and 1500 – Mathematics and Statistics, the following positions are also considered non-administrative and FDA mission-critical: Economists, Consumer Science Specialists, Consumer Science Specialists, Regulatory Counsels, Attorneys and Criminal Investigators

FDA used a FY 2003 baseline of 3,086 administrative positions.
Thus to achieve the percentage targets above, FDA will need to make the following reductions:

- By FY 2004 – reduction of 231 administrative positions = 2855
- By FY 2005 – reduction of 463 administrative positions = 2623

3. What strategies/activities will be used to achieve these reduction targets?

- Early out and buyout plan for administrative positions including positions affected by A-76, human resources consolidation and shared services migration. (Approximately 10 percent in FY 2004 and 2005)
- Attrition (approximately five percent in FY 2004 and 2005)
- Institute a partial freeze on administrative positions
- A-76 (350 FTE combined for FY 2004 and FY 2005)
- Stand-up of shared services

4. What is the proposed target date for full accomplishment? 2005

[27] A total of 40 non-administrative Economists and Consumer Science Specialists positions are also classified in the 0100 series.
[28] All of our 181 Regulatory Counsels are non-administrative and classified in the 0301 series.

5. Which FDA Centers are covered by this long-term goal? Each FDA Center, the Office of Regulatory Affairs and the Office of the Commissioner will work to accomplish this goal.

6. Why is achievement of this long-term outcome goal important? In order to ensure that we do not assign valuable resources to duplicative administrative functions, we need to reduce administrative expenses and redirect any dollar savings to program areas.

7. How does this long-term outcome goal relate to achieving ultimate outcomes of reducing mortality and morbidity? N/A

8. What types of data already exist for measuring this long-term outcome goal?

- Number of administrative and non-administrative positions
- Projected number of A-76 positions to be competed in FY 2004 and FY 2005

9. What types of new data sources would be needed to measure progress on this long-term outcome goal?

- Number of people who participate in early out/buyouts from FY 2004 – 2005
- Attrition rate for FY 2004 – 2005
- Number of positions actually competed in FY 2004 – 2005

10. Why is this target a stretch? ***Reaching this goal is a stretch because FDA already has low administrative overhead and has an extensive field operation that requires logistical support –provided by staff with positions classified as administrative—in order to effectively perform its public health protection function. In fact, FDA already has the second lowest percentage of administrative positions to mission critical positions in the Department: FDA at 29.6 percent compared to CMS – 46.4 percent, NIH – 46 percent and CDC – 42.2 percent.***

11. How does this target serve Department priorities and goals? This FDA long term goal supports the Department's priority of strengthening management, and it is part of FDA's implementation of the President's Management Agenda.

12. What measurable progress have we made towards this goal?

- FDA studied the following commercial activities for outsourcing in FY 2002: graphic arts/visual information services, medical/scientific library services, web publishing, and a television studio in the Center for Devices and Radiological Health. These activities represented 5 percent of FDA's commercial FTE which totaled 64 positions.
- FDA studied the following commercial activities for outsourcing in FY 2003: general accounting in the Office of Regulatory Affairs field components, biological technician and physical science technician services, and facilities/real property management services. The number of positions competed for these series totaled 167 FTE.
- The formal clerical support services study was announced in February 2004. This study will include 350 FTE of work.
- FDA exceeded its performance target for FY 2004 by 89 administrative positions. FDA reduced the number of administrative positions by 320 positions from its baseline of 3,086 positions. The actual number was 2,766 or approximately 9% reduction.

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
Center for Food Safety and Applied Nutrition				
11001	Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt.	Revised	Provide premarket reviews within statutory time frames to assure the safety of food ingredients, bioengineered foods and dietary supplements. (Target: Complete review and action on the safety evaluation of 75% of food and color additive petitions within 360 days of receipt.)	New overall goal statement added; target the same
11025	Respond to 95% of notifications for dietary supplements containing "new dietary ingredients" within 75 days.	Dropped		This goal will be included in expanded premarket goal (11001) to better allocate full costs.
11010	Increase the percentage of the U.S. population that will live in states that have adopted the Food Code.	Revised	Increase risk management strategies and communication to government, industry and consumers in order to ensure the safety of the nation's food supply. (Target: Increase the percentage of the U.S. population that will live in states that have adopted the Food Code.)	New overall goal statement added; target the same
Center for Drug Evaluation and Research				
12001	Ensure a safe and effective drug supply is available to the public. Review and approve upon 90% of original standard NDAs within 10 months of receipt. Review and approve upon 90% of original priority NDAs within 6 months of receipt.	Revised	Improve the efficiency and effectiveness of the new drug review program to ensure a safe and effective drug supply is available. New FY 05 Target: Review and act upon 90% of original standard NDAs within 10 months of receipt. Review and act upon 90% of original priority NDAs within 6 months of receipt.	New overall goal statement added and revised wording of target
12003	Ensure safe and effective generic drugs are available to the public.	Revised	Improve the efficiency and effectiveness of the generic drug review program to ensure safer and more effective generic drug products are available for Americans.	New overall goal statement added
12007	Enhance postmarketing drug safety. Coordinate with agency to develop methodology and resources to determine baseline for number of adverse drug experiences (ADEs) related to medication dispensing and administration errors in US hospitals.	Revised	Improve the Safe Use of Drugs in Patients and Consumers. New FY 05 Target: Review and provide comments on 100% of Risk Minimization Action Plans (RiskMAPs) for NMEs and for those products for which the sponsor or FDA initiated discussions, in accordance with applicable PDUFA goal dates.	New overall goal statement added and revised target to make it more quantifiable

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
12026	Increase the number of drugs that are adequately labeled for children. Report on activities that are responsive to the Best Pharmaceuticals for Children Act and those that are triggered by the Pediatric Research Equity Act.	Revised	Increase the number of drugs that are adequately labeled for children and ensure the surveillance of adverse events in the pediatric population. New FY 05 Target: Issue at least 8 written requests for drugs that need to be studied in the pediatric population and report to the pediatric advisory committee on adverse events for 7 drugs that receive pediatric exclusivity.	New overall goal statement added and revised target to make it more quantifiable
12045	Facilitate development and availability of medical countermeasures to limit the effects of the intentional use of biological, chemical, or radiologic/nuclear agents. Support research activities and the application of appropriate regulatory mechanisms to facilitate development and availability of medical countermeasures	Revised	Enhance the protection of the American public against the effects of terrorist agents by facilitating the development of and access to medical countermeasures, providing follow-up assessments on therapies, and engaging in emergency preparedness and response activities. New FY 05 Target: Coordinate and facilitate development for at least 5 medical countermeasures.	New overall goal statement added and revised target to make it more quantifiable
12048	Increase the number of drugs adequately labeled available for OTC use.	Revised	Improve the efficiency and effectiveness of the over-the-counter (OTC) drug review program to ensure a safe and effective drug supply is available.	New overall goal statement added
12051	Create state-of-the-art information management systems and practices to move to a paperless environment (e-Government).	Unchanged		
12052	Improve the capability and efficiency of pharmaceutical development and manufacturing. (formerly 12016)	Unchanged		
Center for Biologic Evaluation and Research				
13001	Complete review and action on 90% of standard original PDUFA NDA/BLA submissions within 10 months; and review and act on 90% of priority original PDUFA NDA/BLA submissions within 6 months of receipt	Unchanged		
13002	Complete review and action on 90% of standard PDUFA efficacy supplements within 10 months; and review and act on 90% of priority PDUFA efficacy supplements within 6 months of receipt.	Unchanged		

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
13005	Complete review and action on 90% of complete blood bank and source plasma BLA submissions, and 90% of BLA supplements within 12 months after submission date.	Unchanged	.	
Center for Veterinary Medicine				
14020	Complete review and action on 90% of original NADAs & reactivations of such applications received in FY 05 within 270 days.	Revised	Promote safe and effective animal drug availability ensuring public and animal health by meeting ADUFA performance goals. FY 05 Target: Complete review and action on 90% original NADAs and reactivation of such applications within 270 days.	The scope of this original premarket goal was broadened in order to reflect a comprehensive display of the Animal Drugs User Fee Act (ADUFA) goals. The previous FY 05 CJ goal is now changed to a target under this new goal.
Center for Devices and Radiological Health				
15007	Ensure at least 97% of an estimated 9,200 domestic mammography facilities meet inspection standards, with less than 3% with Level I (serious) problems.	Revised	Ensure at least 97% of an estimated 9,100 domestic mammography facilities meet inspection standards, with less than 3% with Level I (serious) problems.	Revised to correctly report the number of domestic mammography facilities.
15012	Expand implementation of the MedSun System to a network of 250 facilities.	Revised	Expand implementation of the MedSun System to a network of 350 facilities.	Revised to reflect new facility target.
15027	Maintain inspection and product testing coverage of Radiological Health industry at 10% of an estimated 2000 electronic products.	Unchanged		
15031	Complete Review and Decision on 80% of 180 day PMA supplements within 180 days./1	Unchanged		
15032	Complete Review and Decision on 75% of 510(k)s (Premarket Notifications) within 90 days./1	Unchanged		
15033	Complete Review and Decision on 70% of Expedited PMAs within 300 days./1	Revised	Complete Review and Decision on 80% of Expedited PMAs within 300 days./1	Revised to reflect new expedited PMA target.
National Center for Toxicological Research				
16003	Develop computer-based models and infrastructure to predict the health risk of biologically active products	Revised	Develop at least one protocol (proof of concept) to aid in defining drug toxicity studies and studies into mechanistic age-associated degenerative disease.	Redefined to address research concepts that will evolve as a result of integrating NCTR systems toxicology functions into a unique systems biology research program that will effectively aid FDA in performing toxicity drug and chemical research studies.

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
16007	Develop risk assessment methods and build biological dose-response models in support of the Food Safety Initiative.	Unchanged		
16012	Catalogue biomarkers and develop standards to establish risk in a bioterrorism environment	Unchanged		
16014	Use new technologies (toxicoinformatics, imaging, proteomics, metabonomics, and microarray) to study the risk associated with how an FDA-regulated compound or product interacts with the human body.	Unchanged		
Field Activities				
Foods Field Activities				
11040		New	Perform prior notice import security reviews on 38,000 food and animal feed line entries considered to be at high risk for bioterrorism and/or present the potential of a significant health risk.	This goal is a critical new measure and will eventually replace the Import Field Exams as the primary measure for import security.
11036	Perform 97,000 import field exams and conduct sample analyses on products with suspect histories.	Revised	Perform 60,000 import field exams and conduct sample analyses on products with suspect histories.	Changed to accurately reflect the performance that is attainable with current resources.
11020	Inspect 95% of estimated 7,200 high-risk domestic food establishments once every year.	Revised	Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities with the objective of reducing the health risks associated with food, cosmetics and dietary supplements products. (Target: Inspect 95% of estimated 6,800 high-risk domestic food establishments once every year.)	New overall goal statement added; target the same. In addition, the current estimate of the FY 2005 high risk inventory has been reduced.
19013	Expand federal/state/local involvement in FDA's eLEXNET system by having 104 laboratories participate in the system by the end of FY 05.	Revised	Expand federal/state/local involvement in FDA's eLEXNET system by having 95 laboratories participate in the system.	Changed to accurately reflect the performance that is attainable with current resources.
19015	Perform at least 1,000 Filer Evaluations under new procedures.	Unchanged		
19016	Conduct 2,000 examinations of FDA refused entries as they are delivered for exportation to ensure that the articles refused by FDA are being exported.	Unchanged		

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
11041		New	Establish and maintain a quality system in the ORA Field Labs which meets the requirements of ISO 17025 (American Society for Crime Lab Directors for the Forensic Chemistry Center) and obtain accreditation by an internationally recognized accrediting body (American Association for Laboratory Accreditation). FY 05: Achieve and maintain accreditation for 6 laboratories	New goal added to highlight the importance of Field laboratory activities.
11020	Inspect 95% of estimated 7,200 high-risk domestic food establishments once every year.	Revised	Conduct postmarketing monitoring, food surveillance, inspection, and enforcement activities with the objective of reducing the health risks associated with food, cosmetics and dietary supplements products. (Target: Inspect 95% of estimated 6,800 high-risk domestic food establishments once every year.)	New overall goal statement added; target the same. In addition, the current estimate of the FY 2005 high risk inventory has been reduced.
19013	Expand federal/state/local involvement in FDA's eLEXNET system by having 104 laboratories participate in the system by the end of FY 05.	Revised	Expand federal/state/local involvement in FDA's eLEXNET system by having 95 laboratories participate in the system.	Changed to accurately reflect the performance that is attainable with current resources.
Human Drug Field Activities				
12020	Inspect 55% of registered high-risk human drug manufacturers.	Revised	Increase risk-based compliance and enforcement activities to ensure product quality. Target: Inspect 55% of registered high-risk human drug manufacturers.	New overall goal statement added
Biologics Field Activities				
13012	Meet the biennial inspection statutory requirement by inspecting 50% of the approximately 2,700 registered blood banks, source plasma operations and biologics manufacturing establishments to reduce the risk of product contamination.	Unchanged		

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
Animal Drugs and Feeds Field Activities				
14006	Conduct targeted BSE inspections of 100% of all known renderers and feed mills processing products containing prohibited material.	Revised	(See 14009 below.)	This FY 05 CJ goal/target was changed to a target under the new postmarket goal. (See 14009 below.)
14009	Maintain biennial inspection coverage by inspecting 50% of 1,440 registered animal drug and feed establishments.	Revised	Ensure the safety of marketed animal drugs and animal feeds by conducting appropriate and effective surveillance and monitoring activities. FY 05 Target(s): Maintain biennial inspection coverage by inspecting 50% of 1,390 registered animal drug and feed establishments; Conduct targeted BSE inspections of 100% of all known renderers and feed mills processing products containing prohibited material.	Two previous goals, the BSE goal and the biennial goal, are now targets under a new postmarket goal broadened in order to reflect a comprehensive display of the performance and cost of the CVM field surveillance and compliance work. The previous FY 05 CJ biennial inspection goal is now a target under this new revised goal.
Device and Radiological Health Field Activities				
15005.01	Utilize Risk management to target inspection coverage for Class II and Class Ill domestic medical device manufacturers at 20% of estimated 5,550.	Revised	Utilize Risk management to target inspection coverage for Class II and Class Ill domestic medical device manufacturers at 20% of estimated 5,540.	Revised to correctly report the number of firms
15005.02	Utilize Risk management to target inspection coverage for Class II and Class Ill foreign medical device manufacturers at 9% of estimated 2,500.	Revised	Utilize Risk management to target inspection coverage for Class II and Class Ill foreign medical device manufacturers at 7% of estimated 2,500.	Changed to accurately reflect the performance that is attainable with current resources.
15025	Conduct 295 domestic and foreign BIMO inspections with an emphasis on scientific misconduct, data integrity, innovative products, and vulnerable populations.	Unchanged		
Other Activities				
19002	Implement 'shared services' concept and consolidate selected functions in the agency	Dropped		
19003	Increase the number of Commercial Activities that will be reviewed for competitive sourcing.	Unchanged		
19006	Increase percentage of contract dollars allocated to performance based contracts	Unchanged		

Disposition of FY 2005 Performance Goals

Goal ID	Original Goal Statement as stated in FY 05 Congressional Justification	Disposition	Revised FY 2005 Targets	Explanation
19017	Implement Financial Enterprise Solutions, FDA's version of UFMS	Unchanged		
19008	Enhance the Agency Emergency preparedness and response capabilities to be better able to respond in the event of a terrorist attack.	Unchanged		

FDA's Strategic Goals align with HHS Strategic Goals

FDA's strategic goals are an integral part of HHS' 'One Department' philosophy. All of FDA's initiatives are aligned with HHS-wide strategies. The table below indicates this alignment.

HHS Strategic Goals	FDA Strategic Goals				
	Using Risk-Based Management Practices	Empowering Consumers for Better Health	Patient and Consumer Protection	Protecting the Homeland - Counter-terrorism	Improving FDA's Business Practices
1. Reduce the major threats to the health and well-being of Americans		☆			
2. Enhance the ability of the Nation's health care system to effectively respond to bioterrorism and other public health challenges	☆			☆	
3. Increase the percentage of the Nation's children and adults who have access to health care services, and expand consumer choices					
4. Enhance the capacity and productivity of the Nation's health science research enterprise	☆				
5. Improve the quality of health care services			☆		
6. Improve the economic and social well-being of individuals, families, and communities, especially those most in need					
7. Improve the stability and healthy development of our Nation's children and youth					
8. Achieve excellence in management practices					☆

Partnerships and Coordination

FDA's primary challenge in the 21st Century is to minimize product risk to the consumer as the complexity of FDA regulated products grows exponentially, and as trade, regulation, new health threats, and consumption patterns continue to change. To meet this challenge, FDA must call upon the capabilities of its various stakeholder communities – regulators, health partners, industry, and consumers – to generate effective solutions to these public health and safety challenges.

During the past two years, FDA has engaged stakeholders in a series of dialogues to determine how to narrow the gap between current Agency performance and public expectations. FDA has listened closely to stakeholder suggestions and has incorporated feedback into many of the collaborative initiatives outlined in the FY 2003 Performance Plan. The following paragraphs are examples of these initiatives as they apply to FDA's Strategic Goals.

Using Risk-Based Management Practices*

- *NCI/FDA Taskforce*

One of the most significant collaborations FDA has entered in is with the National Cancer Institute (NCI), to facilitate the development and use of better cancer treatments. The goal of this venture is to reduce the burden of cancer for all Americans through the improved development and delivery of safe, more effective therapies.

The FDA has agreed to work with NCI to develop clinical trial management software that makes it easier for cancer research groups and the FDA to work collaboratively. As a first step, NCI and FDA will work together to build tools that facilitate electronic interaction, focusing in particular on IND applications. The two organizations will work together to coordinate standards and develop tools to streamline regulatory interactions and accelerate the overall regulatory review process for new cancer drugs. These activities will become part of the NCI's cancer Biomedical Informatics Grid, in which the FDA has agreed to participate.

The program will also initiate Cancer Fellowship Training Programs aimed at developing a corps of physicians and scientists, expert in clinical research, the regulatory approval process, and translation of research breakthroughs to clinical practice.

The names of FDA's strategic goals have been changed to reflect revised titles as shown in FDA's Progress and Priorities in FY 2004 (see http://www.fda.gov/oc/initiatives/reports/priorities2004.html.)

Partnerships and Coordination

Under the new Fellowship Training Programs initiative, fellows will work in clinical oncology programs at NCI, where cutting-edge therapies are evaluated in patients. They will also work in the technical and regulatory review programs at the FDA. As a result, fellows will bring state-of-the-art knowledge and technology to bear on the design, conduct, and review of clinical trials. These model programs will inform and harmonize all phases of cancer drug discovery, development, and regulatory review for the benefit of cancer patients.

These initiatives result from the ongoing work of the two organizations' Interagency Oncology Task Force. The task force was established to improve the efficiency of all aspects of cancer drug development and regulatory review.

- *The Product Quality Research Institute (PQRI)*

The Product Quality Research Institute (PQRI) initiative will continue to be emphasized as a method of leveraging external scientific expertise to help support sound regulatory policymaking. PQRI is a nonprofit foundation that serves as a vehicle for FDA, industry and universities to collaborate on key issues in pharmaceutical product quality through research and expert group analysis. Participating members such as the American Association of Pharmaceutical Scientists, the Generic Pharmaceutical Industry Association, and the Nonprescription Drug Manufacturers Association work with FDA and other government and private organizations to determine the optimum type of information that should be submitted in drug approval requests.

- *Research*

FDA also continues to benefit from the Agency's two food partnership institutes: the Joint Institute for Food Safety and Nutrition in partnership with the University of Maryland; and the National Center for Food Safety and Technology a partnership with the University of Illinois.

- *Standards Setting*

FDA participated in a joint venture with the National Institutes of Health, Centers for Disease Control and Prevention (CDC), American Red Cross, American Association of Blood Banks, and state agencies to set standards and the development of health education.

FDA scientists play key roles with many national, international and interagency organizations involved in establishing vaccine policy and practice. Examples are the National Vaccine Advisory Committee, the Committee on Infectious Diseases of the American Academy of Pediatrics; the World Health Organization; and the National Institute of Biological Standardization and Control (in the United Kingdom). FDA works on committees related to AIDS, such as the NIH HIV Vaccine Selection Committee, as well as working groups on Influenza Pandemic Preparedness, the Adult Immunization Plan, and the TB vaccine development plan.

- *Inspection*

FDA will continue to test the concept of utilizing third parties as independent reviewers, inspectors and testers of FDA-regulated products. One example of successful third party inspections is the Mammography program. Over 90 percent of inspections of mammography facilities are conducted by states under contract to FDA. Another example is the expansion of third party reviews of medical devices. FDA has developed a third party review program and is expanding the number and types of devices that are eligible for third party review.

FDA will also continue to coordinate with the U.S. Customs Service to strengthen the Operational and Administrative System for Import Support. This is a monitoring system that screens unacceptable products from entry into U.S. commerce. As information on products and country of origin is further developed, FDA can improve their systematic profiling capabilities in order to more accurately target potential risk.

Empowering Consumers for Better Health

FDA has worked with partners in health care to confront a very serious problem – patient compliance. About half of the patients who fill the nearly 3 billion prescriptions from their doctors each year don't take the medicine as prescribed, which can lead to serious health consequences. Under it's Take Time To Care program, FDA has partnered with the National Association of Chain Drugstores and 80 national organizations to distribute millions of copies of the brochure My Medicines to patients to educate themselves and their families about using medicines wisely. The brochure delivers four key messages: read the label, avoid problems, ask questions, and keep a record.

Patient and Consumer Protection

FDA strives to improve surveillance of medical products and foods by developing synergistic surveillance systems throughout the nation. One priority is to further develop an integrated sentinel surveillance network that includes hundreds of participating hospitals across the U.S. Through these sentinel systems, a select group of reporting facilities with highly trained staff can provide high quality, informative adverse event reports that are representative of device problems in similar facilities. The Agency collaborates with other organizations to improve the monitoring of adverse events associated with medical products by developing standard data specifications and vocabulary terminology used to evaluate products for safety and effectiveness and by collaborating with the Centers for Disease Control and Prevention to add a device and drug module to the National Healthcare Safety Network (NHSN). The NHSN combines surveillance systems for nosocomial infections, dialysis, and healthcare worker safety. FDA is also engaged in activities to better identify problems associated with the use of medical products by strengthening relationships with reporting and quality software vendors and with health systems that use electronic medical records.

Partnerships and Coordination

The National Antimicrobial Resistance Monitoring System (NARMS), initiated by FDA, CDC and the U. S. Department of Agriculture, helps detect whether foodborne pathogens are developing resistance to drug treatment. The system will be enhanced by increasing the number and source of bacterial isolates (human and animal) collected and the number of states covered by the system.

Protecting the Homeland -- Counterterrorism

From May 12-16, 2003 FDA participated in the government-wide TOPOFF 2, a full-scale, fully functional counterterrorism exercise intended to simulate two separate terrorist attacks: detonation of a 'dirty bomb' in Seattle and aerosol release of pneumonic plague in Chicago. FDA activated its Emergency Operations Center, deployed representatives to the field, assessed the safety of potentially affected products, issued guidance and press, and FDA Centers and Offices collaborated with other government agencies to address issues related to availability and safety of medical countermeasures. FDA has made improvements to the Agency's Emergency Operations Center, which will allow coordination with the HHS Secretary's Command Center (SCC), and also strengthen and formalize links to other Federal and State agencies and other entities that may be involved in emergency response to a terrorism event.

In the Federal Government's response to various agents of mass destruction, drugs will be mobilized from the CDC's National Pharmaceutical Stockpile (NPS). However, not all drugs in the NPS are FDA-approved for medical countermeasures. FDA is working with CDC to ensure that that regulated products that are a component of the NPS are safe and effective and will be appropriately labeled to treat the medical consequences of biological, chemical or radiation attacks. In addition, FDA is preparing guidance for industry on the development of products that can be used as medical countermeasures.

FDA is also continuing the contract between the Agency and New Mexico University for the evaluation of microbiological rapid testing methods to include additional foodborne pathogens and import risk assessment study.

Improving FDA's Business Practices

In order to keep FDA staff well informed and up-to-date on the latest technologies being used by our stakeholder partners in academia, health care, and industry, the Center for Devices and Radiological Health (CDRH) developed the "CDRH Medical Device Fellowship Program" to provide an opportunity for health professionals in the scientific community to participate in the FDA medical device regulatory process, share their knowledge and experience with medical devices with FDA, and increase the range and depth of collaborations

FDA has also worked to create the "Science Leadership Education Program", which is a joint educational venture between FDA, Georgetown University and Virginia Polytechnic Institute, designed to encourage continual learning and enhance professional skills.

Data Verification and Validation

Center for Food Safety and Applied Nutrition (CFSAN)

Public health data systems currently are not adequate to provide accurate and comprehensive baseline data needed to draw direct relationships between FDA's regulatory activities and changes in the number and types of foodborne illnesses that occur annually in this country. Because of the need to have better data on food related illnesses, FDA and USDA began working with CDC in 1995 to improve food safety surveillance. FoodNet, an active surveillance program, was created through this joint effort. Currently there are nine FoodNet sites.

These sites, which operate in areas that are representative of the geographic and demographic population distributions in this country, provide much better data on the number of foodborne illnesses and trends in terms of the types of contaminants that are causing these illnesses. This type of information can be critical to efforts by food safety agencies to redirect their regulatory and research resources to those food safety problems that pose the greatest threat to the health of consumers. Moreover, in 2002 when the data will be sufficient in volume and quality to establish baselines against which to measure changes in foodborne illnesses, FDA will be in a better position to establish broad scope outcome goals that are essential to effective performance planning.

Food Safety regulation development and research activities are planned and tracked through internal management systems. Progress on the development of regulations is tracked mainly through CFSAN's document tracking system and the *Federal Register* document tracking system. These systems permit the Agency to track the processing of regulations from the time they are filed to the point at which action is complete—usually the publication of a final regulation in the *Federal Register*.

CFSAN uses a number of internal data systems to track premarket review progress. These include the Management Assignment Tracking System (MATS) to track progress of petition reviews, Correspondence Tracking System (CTS) to track progress on biotechnology consultations, reviews of GRAS notifications, nutrient content claims, and health claims petitions/notifications. Outcome-oriented performance information can be extracted from MATS only by a labor-intensive manual process. CFSAN's internal data systems are limited to tracking time to a completed review and do not have the capability to track distinct phases of the review process. In FY 1998, the Office of Premarket Approval's (OPA) internal database was modified to permit more detailed tracking of CFSAN's action on biotechnology consultations. In FY 1999, CFSAN implemented an electronic workflow system that will replace MATS and CTS and permit real-time monitoring of review progress. The electronic workflow system is expected to be in full use in FY 2001. The new system will track automatically actions related to the processing of food and color additive petitions, GRAS petitions and biotechnology consultations.

Data are also gathered through a number of other surveys designed for specific purposes. These include the Health and Diet Survey that provides information required to evaluate the impact of the Agency's food labeling activities. These surveys include questions that are designed to query consumers on how they use food labeling information to make decisions to use or purchase food products. Another survey is the NASS survey currently being developed jointly by FDA and USDA to evaluate the impact of GAPs and GMPs for improving the safety of fresh fruits and vegetables. The survey questions will be designed to provide data on practices employed in the production and processing of fresh fruits and vegetables. The results of the NASS surveys will be used to establish baselines for industry practices as well as evaluate the impact of voluntary GAPs and GMPs on improving production and processing practices for fresh produce.

Comprehensive data on illness caused by food and cosmetic products is critical to efforts to protect the health of consumers. Some of the illness data are provided by databases that contain information on adverse events, reported by consumers and industry on food and cosmetic products. In FY 2001, the Agency began improving the quality and accessibility of data on adverse events through the development and implementation of a new adverse event reporting system for dietary supplements. In FY 2002, the Agency will build upon the system nodule for dietary supplements by developing and implementing an integrated adverse reporting system for all food and cosmetic products.

Data Verification and Validation

Proposed research projects are subjected to management reviews prior to implementation and periodic management reviews after the projects have been initiated. The primary planning and management system for food safety research is the Center Program Resources (CPR) plan system that provides quarterly resource use reports and semi-annual reports on accomplishments versus planned milestones. In FY 2000, the Center formed a research management task group responsible for evaluating related processes and systems and developing recommendations for improvement. In addition, research projects are subjected to periodic external peer reviews. Peer reviews by recognized scientific experts in various disciplines related to food safety provide objective feedback that helps FDA evaluate the progress, quality and relevance of its research activities. In addition, risk assessment models are verified periodically using statistical models that assess their ability to make rapid and accurate estimates of risks associated with a particular food safety hazard.

In FY 1999, the Center began implementation of its Resource Planning, Prioritization, and Allocation Process. The primary purpose of this Process is to provide pertinent data throughout the fiscal year on program activities, including GPRA performance goals, Center program priorities, Congressional directives, statutory responsibilities under FDAMA, and Food Safety Initiative objectives.

Center for Drug Evaluation and Research (CDER)

A preliminary assessment for data completeness, accuracy, and consistency and related quality control practices was done for each performance goal. The purpose of the assessment was to determine if the data was of a sufficient quality to document performance and report program results, whether the data was appropriate for the performance measure and if it was considered sound and convincing. The Center obtained from its programs a description of the means that are used to verify and validate measured values for each performance goal. CDER has a number of quality control processes in place to ensure that performance data is reliable. Below are descriptions of several data systems used by CDER.

- Adverse Event Reporting System (AERS)

The Adverse Event Reporting System (AERS) is an Oracle based computerized information system designed to support the Agency's post-marketing safety surveillance program for all approved drug and therapeutic biologic products. The structure of the database is in compliance with the international safety reporting guidance (ICH E2B), including content and format for electronic submission of the reports from the manufacturers. Features include on-screen review of reports, searching tools, and various output reports in support of postmarketing drug surveillance and compliance activities. The ultimate goal of AERS is to improve the public health by providing the best available tools for storing and analyzing safety reports.

Currently, reports are received either on paper as MedWatch forms or electronically. AERS assigns an individual safety report (ISR) identification number for each report. Paper submissions are scanned and stored in retrieval software. All data elements are entered and undergo data entry quality control to ensure completeness and accuracy. All reported adverse event terms are coded into a standardized international terminology, MedDRA (the Medical Dictionary for Regulatory Activities). This process is also subjected to coding quality control. After data entry, the reports are routed directly to assigned clinical reviewers in the postmarketing office. The reports are assessed individually and in aggregate for safety concerns.

The functions and tools developed in AERS provide the ability to easily customize queries; such queries are performed by multiple users on a daily basis for any drug and/or adverse event of interest. Standardized report outputs from AERS provide useful postmarketing information to many users within and outside FDA. These functions, combined with appropriate management and processes developed by the FDA, make AERS an effective tool for pharmacovigilance. There is an ongoing process in place to further improve the performance and functionality of AERS. Because pharmacovigilance is a constantly changing field and the volume of postmarketing safety information continues to increase annually, AERS will need modifications and improvements to maintain its usefulness to the FDA users.

Data Verification and Validation

AERS was designed to allow for electronic submission of individual case safety reports. Electronic submissions provide CDER, FDA, and the public with several tangible benefits. Specifically, automating the receipt and processing of safety reports will allow CDER to be more responsive to public health issues, greatly reduce resources associated with data management, and apply better data and better science to the drug regulatory process.

However, there are FDA regulatory and infrastructure changes needed for full-scale implementation of electronic submissions. The full-scale implementation requires CDER to develop processes for both electronic data management and pharmacovigilance. Accordingly, CDER has proposed a step-level implementation that will allow CDER to identify and resolve several process issues while the regulatory and infrastructure changes are implemented. This step-level implementation includes a pilot program. This program allows CDER to work with manufacturers who voluntarily submit safety reports electronically. Besides AERS resources being used for the users, AERS resources are used for this pilot program to work with the manufacturers for the implementation of the electronic submissions program of the safety reports. In conjunction with the pilot, proposed rulemaking is being written to require that manufacturers submit suspected adverse drug reaction reports electronically.

As we gain more experience with the pilot electronic submissions program with the manufacturers, maintenance and improvements will be needed to make it more functional and successful. AERS was designed to accommodate electronic submission of adverse event reports from the manufacturers based on ICH specifications. Periodically, these specifications are modified and updated. Therefore some of the AERS maintenance will be due to changing ICH specifications. For example, currently, there is a new version that needs to be implemented. The manufacturers' participation in the pilot program is delayed until the new version is in place. This maintenance also includes MedDRA version upgrades in AERS. This is to assure that the electronic submissions utilizing the current version of MedDRA from the manufacturers are compatible with the version utilized in AERS.

The ultimate goal of the electronic submissions program is to be able to exchange safety reports with other regulators and manufacturers. Currently, we are only able to receive reports electronically. Some of the pilot program manufacturers are able to send reports electronically and are working with their affiliates to be able to receive reports too. We need to be able to share and send reports electronically with other regulators and industry.

In summary, the AERS database in the FDA assures that postmarketing adverse event reports are completely and accurately entered, quality controlled and reviewed to monitor product safety and to protect the public health. The data are valid for this goal because they measure the required performance indicator of expediting the process and evaluation of adverse drug events.

- Pediatric Exclusivity Database and the Pediatric Page database (Database enhancements required to meet goal)

The Pediatric Exclusivity Database tracks all data regarding pediatric exclusivity as mandated by FDAMA. Specifically, this database tracks the number of Written Requests issued and the number of products for which pediatric studies have been submitted and for which exclusivity determinations have been made.

The document room enters the date on which a Proposed Pediatric Study Request (PPSR) is received and when the Agency issues a Written Request (WR). Then the pediatric team enters the information pertaining to the types of studies to be conducted. Once the final pediatric studies are submitted to the Agency, the document room enters the receipt date into the database. The project manager for the Pediatric Team enters any additional information pertaining to the granting or denial of exclusivity. The data is quality controlled each month by the pediatric team when they complete their monthly statistics update.

The major strength of this database is that it captures all data relative to exclusivity. Maintaining the database is time consuming for the pediatric team, i.e., entering the data on the studies. However, the document room staff are not trained to recognize what types of studies are requested in the WRs so it is not feasible for them to enter this data themselves.

Data Verification and Validation

The Pediatric Page Database was redesigned, piloted, and implemented in July 2000. This database was designed to capture data pertaining to the Pediatric Final Rule, i.e., whether or not pediatric studies required under the rule were completed, the number of waivers and deferrals granted, and the age ranges that may be waived, deferred, or have actually been completed. The project managers consult with the medical officers to determine whether pediatric studies are necessary, waived, or deferred and what ages should be included in the study. Then the project manager enters the information into the database. This information must be entered prior to the approval of an NDA or supplement. The pediatric page, with all relevant pediatric data, is then printed from the database and included with the action package. The action package is then forwarded to various people, i.e., the appropriate reviewer, project managers, team leader, deputy division director, division director, and office director (for NDAs only) who verify the pediatric data and sign off on the package.

The previous version of the database required a password and was not user friendly. Therefore, many project managers did not use the system resulting in incomplete data for a number of applications. The database has been updated, no longer requiring a password, and is now web-based. Training has been provided to the divisions on the new version. The number of pediatric patients being requested to be involved in studies and the types of studies being requested are tracked manually and maintained by individuals in separate databases on their computers or on common drives. Alternatives are being considered to make this an electronic process as well.

The Pediatric Inpatient Database is still being negotiated. Once this information is available to the pediatric team it will be able to determine exactly what drugs are being used in the pediatric population for unlabeled indications and then focus on requesting the studies that are necessary in order to get the products properly labeled.

This information demonstrates that the data in the Pediatric Exclusivity Database and the Pediatric Page Database are complete and accurate and that appropriate quality control practices are in place. The data are valid for this goal because they measure the required performance indicators.

- Center-wide Oracle Management Information System COMIS

The Center-wide ORACLE Management Information System (COMIS) is CDER's enterprise-wide system for supporting premarket and postmarket regulatory activities. It consists of multiple applications, or components, that store and retrieve data in a single integrated database. COMIS is the core database upon which most mission-critical applications are dependent. The new drug evaluation (NDE) and abbreviated new drug application (ANDA) portions of COMIS contain information about investigational new drug applications (INDs), new drug applications (NDAs), abbreviated new drug applications (ANDAs), supplements, and amendments, and it tracks their status throughout the review process. The type of information tracked in COMIS includes status, type of document, review assignments, status for all assigned reviewers, and other pertinent comments.

CDER has in place a quality control process for ensuring the reliability of the performance data in COMIS. Document room task leaders conduct one hundred percent daily quality control of all incoming data done by their IND and NDA technicians. Senior task leaders then conduct a random quality control check of the entered data in COMIS.

The task leader then validates that all data entered into COMIS are correct and crosschecks the information with the original document. Once the data are saved in COMIS, the document room staff no longer have the capability to change certain document fields. If a data entry change is necessary on any restricted field, the task leader or senior task leader must send a written change request to the Records Management Team (RMT), Office of Information Technology (OIT). Once the change has been made, the document room is notified and the senior task leader/task leader rechecks the data for accuracy.

The Records Management Team (RMT) has three Technical Information Specialists (TIS) assigned to the document rooms in Parklawn, Woodmont II, Corporate Boulevard, Metro Park North II and Wilkins

Avenue who oversee the daily activities within their building document rooms. Quality control checks are done on application jackets, outgoing letters, memoranda and reviews, procedure and programming changes and all other activities that take place in their document rooms.

Overall, the data in COMIS are complete and accurate, and appropriate quality control practices are in place. A limited number of people in RMT and the Division of Applications Development Services (DADS), OIT, have authority to input data into COMIS, which helps to protect the integrity of the data. Once entered into the system, data are immediately accessible to users..

Meetings are held on a weekly basis to discuss any and all issues related to COMIS data entry, document rooms, and procedure changes to ensure that COMIS reflects changes in policy and legislative requirements. Attendees at these meetings include two members of the Document Control Room contract management staff in RMT, a Chief Project Manager review division representative from Parklawn, WOCII and Corporate Boulevard, a programmer from DADS, and representatives from the Division of Drug Marketing, Advertising, and Communications, the Office of Generic Drugs, and the Reports and Data Management Team, ORM.

The data obtained from COMIS are valid for this goal because they measure the required performance indicators, e.g., the numbers and types of submissions, receipt dates, and review times. Preliminary discussions have taken place to alleviate system weaknesses and redesign the system in phases over the next few years to improve efficiency. These weaknesses include a manual, paper-driven quality control process, inflexibility of the system to reflect policy and legislation changes in a timely manner, slow or unavailable network connections impeding a user's ability to acquire requested data, and unrecognizable codes requiring tracking to be done manually.

Center for Biologics Evaluation and Research (CBER)

The Center for Biologics Evaluation and Research (CBER) uses various databases to manage its diverse programs and to assess performance. The principal CBER database is the Regulatory Management System-Biologics License Application (RMS-BLA). The RMS-BLA is CBER's new VAX-based, Oracle database that is used to track all biologics license applications, and supplement submissions; provide information to facilitate the review process (product, application status, milestone tracking, facility, review committee, industry contacts, and other information); and produce a wide variety of management reports. The RMS-BLA records application review information on each license application and supplement received and filed by the Center. The RMS-BLA records information about PDUFA and non-PDUFA license applications. The milestone tracking module is used to track and report on CBER's PDUFA goals. Data entry is done in each of the offices' application review divisions. The Regulatory Information Management Staff (RIMS) monitors and is responsible for maintaining data quality and integrity in RMS-BLA.

The Biologics Investigational New Drug Management System (BIMS) is CBER's VAX-based, Oracle database that is used to track all Investigational New Drug Applications (IND), Investigational Device Exemption (IDE), and Master Files (MF) submissions (over 12,000 in 1999); provide product, application status, and other information to facilitate the review process; and produce a wide variety of management reports. The system also stores summaries of telephone conversations and meetings related to the submissions, as well as actually generating some of the correspondence to sponsors. Most data entry is done by the Document Control Center (DCC) or by the Consumer Safety Officers in each office's application review division. There are numerous mechanisms established for quality control in DCC, the application review offices, the Regulatory Information Management Staff, and several built into BIMS itself.

The Blood Logging and Tracking System (BLT) was developed by the Office of Blood Research and Review (OBRR) to record and track the various applications reviewed by that Office. The OBRR receives and reviews a wide variety of application types. PLAs, ELAs (Establishment License Applications) and BLAs are tracked by the RMS-BLA, discussed above. INDs are tracked by the BIMS, also discussed above. The Office utilizes the BLT to record and track data concerning device premarket applications

(PMAs) and PMA supplements, 510(k)s, and Abbreviated New Drug Application (ANDAs) and ANDA supplements. The Office also has an NDA tracking system.

The data retrieved from these systems are reviewed and validated by the RIMS and the application review offices. If errors are detected, they are corrected.

Federal regulations (21 CFR, Part 600.14 and 606.171) require reporting of deviations in the manufacture of biological products that affect the safety, purity, or potency of the product. The Biological Product Deviation Reports (BPDRs) (previously called error and accident reports) enable the Agency to evaluate and monitor establishments, to provide field staff and establishments with trend analyses of the reported deviations and unexpected events, and to respond appropriately to reported biological product deviations to protect the pubic health. The regulation applies to licensed manufacturers, unlicensed registered blood establishments, and transfusion services which had control over the product when a deviation occurred to report to FDA the biological product deviation if the product has been distributed.

In May 1995, the DHHS Office of the Inspector General issued a report recommending that the reporting requirements be expanded to include unlicensed blood banks and transfusion services. A proposed rule was issued on September 23, 1997, that expands the reporting requirements to all biological product manufacturers regulated by FDA. The final rule was published on November 7, 2000. On August 10, 2001, FDA published two draft guidance documents: (1) "Draft Guidance for Industry: Biological Product Deviation Reporting for Blood and Plasma Establishments," and, (2) "Draft Guidance for Industry: Biological Prodcut Deviation Reporting for Licensed Manufacturers of Biological Products Other than Blood and Blood Components." The comment period for the guidance documents ended November 13, 2001.

In FY 2001, the Agency received 25,367 biologics product deviation reports. FDA estimates that over 27,000 biologic product deviation reports would be received under the proposed regulation. In June 2001, FDA implemented an electronic reporting system to permit the electronic submission of biologic product deviation reports. This will allow the Agency to receive electronic submission of reports; and to process, analyze and evaluate more than 27,000 reports annually.

The Biologics Program relies in the Office of Regulatory Affairs' Field Accomplishments and Tracking System (FACTS) to register and record biologics manufacturing establishment inspection and compliance data. FACTS versions 1 and 2 together will replace the several dozen applications that comprise the current Field Information System (FIS). The software development contractor delivered FACTS version 1 to the FDA on September 30, 1997. Version 1 functionality includes all sample collections; all sample tracking, accountability, and dispositions; sample analysis of pesticides, additives, colors, elements, mycotoxins and radionuclides; firms inventory, maintenance and registration; work assignments and work management; and other features.

Meanwhile, the design and development of FACTS version 2 is underway. Major features of version 2 include replacing the remaining FIS functions: remainder of lab analyses; inspections; rest of investigations including records and tracking; compliance functions; other core items including personnel management (MUS); and miscellaneous operations including recalls and audit checks.

Center for Veterinary Medicine (CVM)

An integral part of the FDA continual improvement initiative has been upgrading our data processing and information systems. This includes automation of manual systems and integration of existing systems, which reduces duplication and chances of data entry errors. Our information and data collection systems contain automatic data checks such as comparisons against lists of "valid" responses for a given data field. By programming "business rules" into our systems, the chance for "human" error is reduced. For example, due dates for applications are appropriately assigned and review time is accurately tracked. Data access is restricted to ensure that only appropriate personnel can enter data, review data, or audit the data; checks are in place to ensure that the person who enters the data does not audit the data.

Data Verification and Validation

Some of our program work is dependent upon other agencies' planning processes. This is especially true in our illegal residues in meat and poultry program that has responsibility to follow-up on violative tissue residue reported to FDA by USDA's Food Safety and Inspection Service (FSIS). FSIS develops an annual statistical residue sampling plan with input from FDA. However, the majority of violations reported to FDA for investigative follow-up, result from samples from suspect animals. FSIS recently modified sampling criteria, which resulted in an increased number of suspect animals being tested and an increase in violative samples being reported to FDA. Under the new Hazard Analysis Critical Control Point (HACCP) plan, the requirements for how slaughter plants choose samples for testing has also changed substantially so it is extremely hard to judge how many residue reports will be sent to FDA for follow-up investigation.

Center for Devices and Radiological Health (CDRH)

Premarket -- To help ensure Agency consistency in tracking and reporting premarket activities, CDRH utilizes the Premarket Tracking System, which contains various types of data taken directly from the premarket submissions. FDA employs certain conventions for monitoring and reporting performance; among these are groupings of premarket submissions into decision and receipt cohorts. Decision cohorts are groupings of submissions upon which a decision was made within a specified time frame, while receipt cohorts are groupings of submissions that were received within a specified time frame. The premarket performance goals are based on receipt cohorts. Final data for receipt cohorts are usually not available at the end of the submission year. Because the review of an application received on the last day of the submission year, e.g., a PMA with 180 day time frame, may not be completed for at least 6 months or longer, final data for the submission or goal year may not be available for up to a year after the end of the goal year.

Mammography -- The Mammography Program Reporting and Information System (MPRIS) is a set of applications used to support all aspects of the FDA implementation of the Mammography Quality Standards Act of 1992. This includes the collection, processing and maintenance of data on mammography facility accreditation and certification, FDA inspections and compliance actions. MPRIS is envisioned as a centralized repository of information that supports FDA's mission to improve the quality of mammography and improves the overall quality, reliability, integrity, and accessibility of facility certification, inspection, and compliance data by eliminating multiple versions of the data while expanding and automating data edits, validation, and security of a single integrated database.

User Facility Adverse Event Reporting -- FDA's adverse event reporting system's newest component is the Medical Device Surveillance Network, MedSun program. MedSun is an initiative designed both to educate all health professionals about the critical importance of being aware of, monitoring for, and reporting adverse events, medical errors and other problems to FDA and/or the manufacturer and; to ensure that new safety information is rapidly communicated to the medical community thereby improving patient care.

Other Data Sources -- These include miscellaneous reports, guides, and files as cited in the data sources for several of the goals.

National Center for Toxicological Research (NCTR)

As a research component of the FDA, the National Center for Toxicological Research provides peer-reviewed research that supports the regulatory function of the Agency. To accomplish this mission, it is incumbent upon the Center to solicit feedback from its stakeholders and partners, which include other FDA centers, other government agencies, industry and academia. Scientific program services are provided by the Science Advisory Board (SAB) composed of non-government scientists from industry, academia, and consumer organizations. The SAB is guided by a charter that defines the scope of the review to include quality of the science and the overall applicability to FDA regulatory need. This board is further supplemented with subject matter experts and scientists representing all of the FDA product centers. Programs described are evaluated at least once every five years by the SAB.

Data Verification and Validation

Research proposals are monitored through partnerships with other scientific organizations. Scientific and monetary collaborations include inter-agency agreements with other government agencies, Cooperative Research and Development Agreements and technology transfer with industry, and grants or informal agreements with academic institutions.

NCTR uses several strategies to ensure the quality of its research and the accuracy of data collected in specific research studies. Study protocols are developed collaboratively by principal investigators and FDA product centers. Findings are recorded by and verified by internal and external peer review. Statistical analyses are performed by the principal investigator and reviewed by members of the Biometry and Risk Assessment staff. The analytic approach is checked by different members of the scientific staff and the Deputy Director for Research to verify the scientific integrity of the data.

To ensure that the performance data are accurate and timely, the NCTR Planning Division staff monitors research progress at the project level on a recurring basis. The Project Management System utilized by the Planning Staff is capable of tracking planned and actual research projects and expenditures in all three strategic goals and in the outlined performance goals. Quality Assurance Staff monitor the experiments that fall within the Good Laboratory Practices (GLP) guidelines. Research accomplishments and goals are published annually in the NCTR Research Accomplishments and Plans document. Publications reporting research findings are tracked by project, and final reports are archived and distributed to interested parties. Over the past four or five years, NCTR has published yearly 175-250 research documents, manuscripts, book chapters, and abstracts in recognized scientific journals.

NCTR's research findings are also presented at national and international scientific meetings and published in peer-reviewed scientific journals. Many of the scientific meetings are sponsored or co-sponsored by NCTR scientists. The scientists make over 400 presentations and invited speeches a year at local science seminars and at national and international meetings. Many NCTR scientists also serve on international scientific advisory boards.

Other Activities

FDA will ensure consistency in the tracking and reporting of the administrative management performance goals. In addition, FDA is taking steps to routinely monitor this data and take appropriate actions as needed. Data is from a variety of sources for these performance goals including the Annual Chief Financial Officer's Report, Civilian and Commission Corps personnel databases, monthly and annual full-time equivalent (FTE) reports and data-runs, the FDA FAIR Act Inventory and the FY 2001 FDA Workforce Restructuring Plan, monthly statements from bank card companies and the FDA Small Purchase System.

Office of Regulatory Affairs (ORA)

FDA uses a variety of data systems to develop and verify performance goals for its inspections and food safety activities. Among these are several field data systems. The most important of the field data systems are the Program Oriented Data System (PODS) and the Operational Administrative System for Imports (OASIS). PODS tracks field activities conducted by FDA's field force and the firms over which FDA has legal responsibility. Information provided by this system includes data on the number of inspections, wharf examinations, sample collections and analyses as well as the time spent on each. OASIS, which is coordinated with the U.S. Customs Service, provides data on what products are being imported as well as where they are arriving. It also provides information on compliance actions related to imports. In FY 2001, the Field Accomplishments Tracking System (FACTS) will be the primary mechanism for tracking compliance activities for the domestic food industry. The National Seafood HACCP Compliance Database System maintains information on seafood HACCP inspections conducted by FDA and states in partnership with FDA. Standardized forms (Cardiff forms) assure comparability of HACCP compliance data whether FDA or states conduct the inspections. Another field data collection instrument is the field survey. Field surveys are special assignments that are developed and implemented specifically to collect information needed to more thoroughly evaluate the nature and extent of particular postmarket food safety problems.

Program Performance Report Summary

The following table provides summary information on FDA's Performance Goals from FY 1999 through FY 2006.

	Measures in Plan	Outcome Measures	Output Measures	Efficiency Measures	Results Reported	Results Met	Results not Met
FY 1999	70	14	56	NA	70	55	15
FY 2000	60	11	49	NA	60	54	6
FY 2001	64	9	55	NA	64	54	10
FY 2002	69	3	57	9	69	66	3
FY 2003	70	4	55	11	70	65	5
FY 2004	56	4	57	9	41	38	3
FY 2005	45	8	35	4	NA	NA	NA
FY 2006	42	8	31	3	NA	NA	NA

GLOSSARY OF ACRONYMS

510(k)	Pre-market notification (Medical devices substantially equivalent to products already on the market)
513(g)	Written request of any person for information respecting the class in which a device has been classified or the requirements applicable to a device
AADA	Abbreviated Antibiotic Drug Application
AAFCO	American Association of Feed Control Officials
AAR	After Action Review
ABC	Activity Based Costing
ACE	Angiotensin-converting Enzyme
ADE	Adverse Drug Event
ADAA	Animal Drug Availability Act of 1996
ADR	Adverse Drug Report
ADIMS	Automated Drug Information Management System
ADUFA	Animal Drug User Fee Act
AER	Adverse Event Review
AERS	Adverse Events Reporting System
AFSS	Animal Feed Safety System
AHI	Animal Health Institute
AIDS	Acquired Immune Deficiency Syndrome
AMDUCA	Animal Medicinal Drug Use Clarification Act
ANADA	Abbreviated New Animal Drug Application
ANDA	Abbreviated New Drug Application
ANPR	Advanced Notice of Proposed Rulemaking
ANSI	American National Standards Institute
APHIS	Animal Plant and Health Inspection Service (USDA)
AR	Anti-microbial Resistance
ARL	Arkansas Regional Laboratory
ASAM	Assistant Secretary for Grants and Acquisitions Management
AVMA	American Veterinary Medical Association
BAMSG	Bacteriology and Mycology Study Group
BCCP	Business Continuity and Contingency Plan
BIMO	Bioresearch Monitoring
BIMS	Biological Investigational New Drug Application Management System
BCCP	Business Continuity and Contingency Plan
BLA	Biologics License Application
BLT	Blood Logging and Tracking System
BPCA	Better Pharmaceuticals for Children Act
BSE	Bovine Spongiform Encephalopathy (Mad Cow Disease)
BSL	Biosafety Level
BT	Bioterrorism
CABS	Conformity Assessment Bodies
CAERS	CFSAN Adverse Event Reporting System
CARS	Compliance Achievement Reporting System
CBER	Center for Biologics Evaluation and Research (FDA)
CDC	Centers for Disease Control and Prevention

CDER	Center for Drug Evaluation and Research (FDA)
CDRH	Center for Devices and Radiological Health (FDA)
CERTS	Center for Education and Research Therapeutics
CFO	Chief Financial Officer
CFSAN	Center for Food Safety and Applied Nutrition (FDA)
CGMPs	Current Good Manufacturing Practices
CHD	Coronary Heart Disease
CIP	Critical Infrastructure Protection
CJD	Creutzfeldt-Jakob disease
CLIA	Clinical Laboratory Improvement Amendments
CMC	Chemistry, Manufacturing, and Controls
CMS	Centers for Medicare and Medicaid
CMV	Cytomegalovirus
COMSTAS	Compliance Status Information System
COBOL	Common Business Oriented Language
COOP	Continuity of Operations
CPI	Consumer Price Index
CPI/U	Consumer Price Index/Urban
CRADA	Cooperative Research and Development Agreement
CRO	Contract Research Organization
CRS	Contamination Response System
CT	Counter Terrorism
CTS	Correspondence Tracking System
CVM	Center for Veterinary Medicine (FDA)
CWD	Chronic Wasting Disease
DHHS	Department of Health and Human Services
DHS	Department of Homeland Security
DNA	Deoxyribonucleic Acid
DOD	Department of Defense
DOL	Department of Labor
DQRS	Drug Quality Reporting System
DRLS	Drug Registration and Listing System
DSaRM	Drug Safety and Risk Management
DSHEA	Dietary Supplement Health and Education Act
DTPA	Diaminopropanoltetraacetic acid
eCTD	Electronic Common Technical Document
EDR	Electronic Document Room
EDMS	Electronic Data Management System
EIP	Emerging Infection Program
EIR	Establishment Inspection Report
ELA	Establishment License Application
eLEXNET	Electronic Laboratory Exchange Network
EO	Emergency Operations
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ERS	Economic Research Service
ETS	Environmental Tobacco Smoke
EU	European Union

FAA	Federal Aviation Administration
FACTS	Field Accomplishment and Compliance Tracking System
FAIR Act	Federal Activities Inventory Reform Act
FAO	Food and Agricultural Organization (United Nations)
FBI	Federal Bureau of Investigation
FAS	Foreign Agriculture Service (USDA)
FD	Food Defense
FDA	Food and Drug Administration
FDAMA	Food and Drug Administration Modernization Act of 1997
FD&C Act	Federal Food, Drug and Cosmetic Act
FERN	Food Emergency Response Network
FES	Financial Enterprise Solutions
FHA	Federal Health Architecture
FIS	Field Information System
FLQ	Fluoroquinolone
FMD	Foot and Mouth Disease
FMFIA	Federal Manager's Financial Integrity Act
FORCG	Food Outbreak Response Coordination Group
FPL	Final Printed Label
FPLA	Fair Packaging and Labeling Act
FSI	Food Safety Initiative (National)
FSIS	Food Safety Inspection Service (USDA)
FSSS	Food Safety and Security Staff (CFSAN)
FTC	Federal Trade Commission
FTE	Full-time Equivalent
FY	Fiscal Year (October - September)
GAO	General Accounting Office
GAPs	Good Agricultural Practices
GATT	General Agreement on Tariffs and Trade
GeMCRIS	Genetic Modification Clinical Research Information System
GGPs	Good Guidance Practices
GLP	Good Laboratory Practices
GMO	Genetically Modified Organisms
GMPs	Good Manufacturing Practices
GphA	Generic Pharmaceutical Association
GPRA	Government Performance and Results Act of 1993
GRAS	Generally Recognized as Safe Food Ingredients
GSA	General Services Administration
GSFA	General Standards for Food Additives
GTIS	Gene Therapy Information System
HACCP	Hazard Analysis Critical Control Points
HCV	Hepatitis C Virus
HDE	Humanitarian Device Exemption
HIV	Human Immunodeficiency Virus
HR	Human Resources
HSPD	Homeland Security Presidential Directive
HUD	Humanitarian Use Device
IAG	Interagency Agreement

ICAAC	Interscience Conference on Antimicrobial Agents and Chemotherapy
ICH	International Conference on Harmonization
IDE	Investigational Device Exemption
IDSA	Infectious Disease Society of America
INAD	Investigational New Animal Drug
INADA	Investigational New Animal Drug Application
IND	Investigational New Drug
IOM	Institute of Medicine
IRB	Institutional Review Board
ISLI	International Life Sciences Institute
ISO	International Standards Organization
ISRS	Individual Safety Reports
IT	Information Technology
IVD	In Vitro Diagnostic
JECFA	Joint Expert Committee on Food Additives
JIFSAN	Joint Institute for Food Safety and Applied Nutrition
JINAD	Generic Investigational New Animal Drug
LACF	Low Acid Canned Foods
LAN	Local Area Network
LBITF	Least Burdensome Industry Task Force
LRN	Laboratory Response Network
MALDI	Matrix Assisted Laser Desorption Ionization
MAB	Metastable Atom Bombardment
MATS	Management Assignment Tracking System
MBM	Meat and Bone Meal
MDAE	Medical Device Adverse Events
MDAER	Medical Device Adverse Event Reports
MDR	Medical Device Reporting System
MDUFMA	Medical Device User Fee and Modernization Act
MedSun	Medical Product Surveillance Network
MEO	Most Efficient Organization
MERS-TM	Medical Event Reporting System for Transfusion Medicine
MFA	Medicated Feed Application
MMBM	Mammalian Meat and Bone Meal
MOU	Memorandum of Understanding
MPRIS	Mammography Program Reporting and Information Systems
MQSA	Mammography Quality Standards Act
MRA	Mutual Recognition Agreement
MUMS	Minor Use/Minor Species
NADA	New Animal Drug Application
NAFTA	North American Free Trade Agreement
NAFTA TWG	North American Free Trade Agreement Technical Working Group
NAHMS	National Animal Health Monitoring System
NARMS	National Antimicrobial Resistance Monitoring System
NAS	National Academy of Sciences
NASS	National Agricultural Statistics Survey
NAT	Nucleic Acid Test

NCCLS	National Committee on Clinical Laboratory Standards
NCFST	National Center for Food Safety and Technology (Moffett Center)
NCI	National Cancer Institute
NCIE	Notice of Claimed Investigational Exemptions
NCTR	National Center for Toxicological Research (FDA)
NDA	New Drug Application
NDE/MIS	New Drug Evaluation Management Information System
NIAID	National Institute of Allergy and Infectious Diseases
NIBSC	National Institute for Biological Standards and Control
NIDA	National Institute on Drug Abuse
NIEHS	National Institute for Environmental Health Sciences
NIH	National Institutes of Health
NLEA	Nutrition Labeling and Education Act
NME	New Molecular Entity
NOA	Notice of Availability
NOH	Notice of Hearing
NPR	National Partnership for Reinventing Government
NPRM	Notice of Proposed Rulemaking
NRC	National Research Council
NSCLC	Non-Small Cell Lung Cancer
NSE	Not Substantially Equivalent
NTP	National Toxicology Program
nvCJD	new variant Creutzfeldt-Jakob disease
NVPO	National Vaccine Program Office
OAI	Official Action Indicated
OARSA	Office of Applied Research and Safety Assessment (CFSAN)
OASIS	Operational and Administrative System for Import Support
OBRR	Office of Blood Research and Review (CBER)
OC	Office of Compliance (CFSAN)
OCD	Obsessive Compulsive Disorder
OCTGT	Office of Cellular, Tissues and Gene Therapies (CBER)
OFAS	Office of Food Additive Safety (CFSAN)
OGD	Office of Generic Drugs (CDER)
OM	Office of Management (FDA)
ONPLDS	Office of Nutritional Products, Labeling, and Dietary Supplements (CFSAN)
OPDFB	Office of Plant and Dairy Foods and Beverages (CFSAN)
OPDiv	Operating Division
OPT	Office of Pediatric Therapeutics
ORA	Office of Regulatory Affairs (FDA)
ORISE	Oak Ridge Institute for Science and Education
OS	Office of Seafood (CFSAN)
OSAS	Office of Scientific Analysis and Support (CFSAN)
OSCI	Office of Science (CFSAN)
OSHA	Occupational Safety and Health Administration
OTC	Over-the-Counter
OTR	Office of Testing and Research (CDER)
OTRR	Office of Therapeutics Research and Review (CBER)
OVRR	Office of Vaccines Research and Review (CBER)

PART	Program Assessment Rating Tool (PART)
PAS	Public Affairs Specialist (FDA)
PAT	Process Analytical Technology
PDPs	Product Development Protocols
PDUFA	Prescription Drug User Fee Act of 1992
PERV	Porcine endogenous retrovirus
PIFSI	Produce and Food Safety Initiative
PISI	Protocol Investigator Site Inspection
PLA	Product License Application
PMA	Premarket Approval (Application to market medical device that requires Premarket approval) or President's Management Agenda *(depending upon context)*
PMN	Premarket Notification
PODS	Project-Oriented Data System
PPP	Pregnancy Prevention Program
PQRI	Product Quality Research Initiative
QSAR	Quantitative Structure Activity Relationship
QSIT	Quality System Inspection Technique
QSR	Quality System Regulation
RA	Rheumatoid Arthritis
RCHSA	Radiation Control for Health and Safety Act
REGO	Reinventing Government Initiative
RIMS	Regulatory Information Management Staff (CBER)
RMS-BLA	Regulatory Management System-Biologics License Application
SAB	Science Advisory Board
SAMHSA	Substance Abuse and Mental Health Services Administration
SBREFA	Small Business Regulatory Enforcement Fairness Act
SCC	Secretary's Command Center
SE	Salmonella Enteriditis
S.M.A.R.T.	System to Manage Accutane Related Teratogenicity
SN/AEMS	Special Nutritional Adverse Events Monitoring System
SSO	Shared Services Organization
STARS	Submission Tracking and Review System
StmDT104	Salmonella Tphimurium DT 104
TB	Tuberculosis
Tof	Time of flight
TRIMS	Tissue Residue Information System
TSE	Transmissible Spongiform Encephalopathy (includes BSE and CJD)
UFMS	Unified Financial Management System
UK	United Kingdom
UMCP	University of Maryland-College Park
USAMRIID	United States Army Medical Research Institute of Infectious Diseases
USC	United States Code
USDA	United States Department of Agriculture
VAERS	Vaccine Adverse Event Reporting System

VAI	Voluntary Action Indicated
vCJD	variant Creutzfeldt-Jakob disease
VEE	Venezuelean Equine Encephalitis
VFD	Veterinary Feed Directive
VICH	Veterinary International Cooperation on Harmonization
VFD	Veterinary Feed Directive
VICH	Veterinary International Conference on Harmonization
WHO	United Nations World Health Organization
WNV	West Nile Virus
WR	Written Request
WTO	World Trade Organization