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113TH CONGRESS 1ST SESSION

H. R. 1407

[Report No. 113-188]

To amend the Federal Food, Drug, and Cosmetic Act to reauthorize user fee programs relating to new animal drugs.

IN THE HOUSE OF REPRESENTATIVES

April 9, 2013

Mr. Shimkus (for himself, Mr. Gardner, Mr. Upton, Mr. Pitts, Mr. Waxman, Mr. Pallone, Mr. Burgess, Mr. Guthrie, and Mr. Kinzinger of Illinois) introduced the following bill; which was referred to the Committee on Energy and Commerce

August 2, 2013

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 9, 2013]

A BILL

To amend the Federal Food, Drug, and Cosmetic Act to reauthorize user fee programs relating to new animal drugs.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

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Sec. 1. Table of Contents.

TITLE I—ANIMAL DRUG USER FEE AMENDMENTS

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4 TITLE I—ANIMAL DRUG USER

5 **FEE AMENDMENTS**

- 6 SEC. 101. SHORT TITLE; FINDING.
- 7 (a) Short Title.—This title may be cited as the
- 8 "Animal Drug User Fee Amendments of 2013".
- 9 (b) FINDING.—Congress finds that the fees authorized
- 10 by the amendments made in this title will be dedicated to-
- 11 ward expediting the animal drug development process and
- 12 the review of new and supplemental animal drug applica-
- 13 tions and investigational animal drug submissions as set
- 14 forth in the goals identified, for purposes of part 4 of sub-
- 15 chapter C of chapter VII of the Federal Food, Drug, and
- 16 Cosmetic Act, in the letters from the Secretary of Health

1	and Human Services to the Chairman of the Committee on
2	Energy and Commerce of the House of Representatives and
3	the Chairman of the Committee on Health, Education,
4	Labor, and Pensions of the Senate as set forth in the Con-
5	gressional Record.
6	SEC. 102. DEFINITIONS.
7	Section 739 of the Federal Food, Drug, and Cosmetic
8	Act (21 U.S.C. 379j–11) is amended to read as follows:
9	"SEC. 739. DEFINITIONS.
10	"For purposes of this part:
11	"(1) The term 'animal drug application' means
12	an application for approval of any new animal drug
13	submitted under section 512(b)(1). Such term does not
14	include either a new animal drug application sub-
15	mitted under section 512(b)(2) or a supplemental ani-
16	mal drug application.
17	"(2) The term 'supplemental animal drug appli-
18	cation' means—
19	"(A) a request to the Secretary to approve
20	a change in an animal drug application which
21	has been approved; or
22	"(B) a request to the Secretary to approve
23	a change to an application approved under sec-
24	tion $512(c)(2)$ for which data with respect to
25	safety or effectiveness are required.

- "(3) The term 'animal drug product' means each 1 2 specific strength or potency of a particular active in-3 gredient or ingredients in final dosage form marketed 4 by a particular manufacturer or distributor, which is 5 uniquely identified by the labeler code and product 6 code portions of the national drug code, and for which 7 an animal drug application or a supplemental ani-8 mal drug application has been approved.
 - "(4) The term 'animal drug establishment' means a foreign or domestic place of business which is at one general physical location consisting of one or more buildings all of which are within 5 miles of each other, at which one or more animal drug products are manufactured in final dosage form.
 - "(5) The term 'investigational animal drug submission' means—
 - "(A) the filing of a claim for an investigational exemption under section 512(j) for a new animal drug intended to be the subject of an animal drug application or a supplemental animal drug application; or
 - "(B) the submission of information for the purpose of enabling the Secretary to evaluate the safety or effectiveness of an animal drug applica-

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- tion or supplemental animal drug application in
 the event of their filing.
 - "(6) The term 'animal drug sponsor' means either an applicant named in an animal drug application that has not been withdrawn by the applicant and for which approval has not been withdrawn by the Secretary, or a person who has submitted an investigational animal drug submission that has not been terminated or otherwise rendered inactive by the Secretary.
 - "(7) The term 'final dosage form' means, with respect to an animal drug product, a finished dosage form which is approved for administration to an animal without substantial further manufacturing. Such term includes animal drug products intended for mixing in animal feeds.
 - "(8) The term 'process for the review of animal drug applications' means the following activities of the Secretary with respect to the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions:
 - "(A) The activities necessary for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

- "(B) The issuance of action letters which approve animal drug applications or supplemental animal drug applications or which set forth in detail the specific deficiencies in animal drug applications, supplemental animal drug applications, or investigational animal drug submissions and, where appropriate, the actions necessary to place such applications, supple-ments, or submissions in condition for approval.
 - "(C) The inspection of animal drug establishments and other facilities undertaken as part of the Secretary's review of pending animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.
 - "(D) Monitoring of research conducted in connection with the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.
 - "(E) The development of regulations and policy related to the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

1	"(F) Development of standards for products
2	subject to review.
3	"(G) Meetings between the agency and the
4	animal drug sponsor.
5	"(H) Review of advertising and labeling
6	prior to approval of an animal drug application
7	or supplemental animal drug application, but
8	not after such application has been approved.
9	"(9) The term 'costs of resources allocated for the
10	process for the review of animal drug applications'
11	means the expenses in connection with the process for
12	the review of animal drug applications for—
13	"(A) officers and employees of the Food and
14	Drug Administration, contractors of the Food
15	and Drug Administration, advisory committees
16	consulted with respect to the review of specific
17	animal drug applications, supplemental animal
18	drug applications, or investigational animal
19	drug submissions, and costs related to such offi-
20	cers, employees, committees, and contractors, in-
21	cluding costs for travel, education, and recruit-
22	ment and other personnel activities;
23	"(B) management of information and the
24	acquisition, maintenance, and repair of com-
25	puter resources;

1	"(C) leasing, maintenance, renovation, and
2	repair of facilities and acquisition, maintenance,
3	and repair of fixtures, furniture, scientific equip-
4	ment, and other necessary materials and sup-
5	plies; and
6	"(D) collecting fees under section 740 and
7	accounting for resources allocated for the review
8	of animal drug applications, supplemental ani-
9	mal drug applications, and investigational ani-
10	mal drug submissions.
11	"(10) The term 'adjustment factor' applicable to
12	a fiscal year refers to the formula set forth in section
13	735(8) with the base or comparator month being Oc-
14	$tober\ 2002.$
15	"(11) The term 'person' includes an affiliate
16	thereof.
17	"(12) The term 'affiliate' refers to the definition
18	set forth in section 735(11).".
19	SEC. 103. AUTHORITY TO ASSESS AND USE ANIMAL DRUG
20	FEES.
21	Section 740 of the Federal Food, Drug, and Cosmetic
22	Act (21 U.S.C. 379j–12) is amended to read as follows:

1	"SEC. 740. AUTHORITY TO ASSESS AND USE ANIMAL DRUG
2	FEES.
3	"(a) Types of Fees.—Beginning in fiscal year 2004,
4	the Secretary shall assess and collect fees in accordance with
5	this section as follows:
6	"(1) Animal drug application and supple-
7	MENT FEE.—
8	"(A) In general.—Each person that sub-
9	mits, on or after September 1, 2003, an animal
10	drug application or a supplemental animal drug
11	application shall be subject to a fee as follows:
12	"(i) A fee established in subsection (c)
13	for an animal drug application, except an
14	animal drug application described in sec-
15	$tion \ 512(d)(4).$
16	"(ii) A fee established in subsection (c),
17	in an amount that is equal to 50 percent of
18	the amount of the fee under clause (i), for—
19	"(I) a supplemental animal drug
20	application for which safety or effec-
21	tiveness data are required; and
22	"(II) an animal drug application
23	described in section $512(d)(4)$.
24	"(B) Payment.—The fee required by sub-
25	paragraph (A) shall be due upon submission of

the animal drug application or supplemental animal drug application.

- "(C) Exception for previously filed application or a supplemental animal drug application or a supplemental animal drug application was submitted by a person that paid the fee for such application or supplement, was accepted for filing, and was not approved or was withdrawn (without a waiver or refund), the submission of an animal drug application or a supplemental animal drug application for the same product by the same person (or the person's licensee, assignee, or successor) shall not be subject to a fee under subparagraph (A).
- "(D) REFUND OF FEE IF APPLICATION RE-FUSED FOR FILING.—The Secretary shall refund 75 percent of the fee paid under subparagraph (B) for any animal drug application or supplemental animal drug application which is refused for filing.
- "(E) REFUND OF FEE IF APPLICATION
 WITHDRAWN.—If an animal drug application or
 a supplemental animal drug application is withdrawn after the application or supplement was
 filed, the Secretary may refund the fee or portion

1	of the fee paid under subparagraph (B) if no
2	substantial work was performed on the applica-
3	tion or supplement after the application or sup-
4	plement was filed. The Secretary shall have the
5	sole discretion to refund the fee under this para-
6	graph. A determination by the Secretary con-
7	cerning a refund under this paragraph shall not
8	be reviewable.
9	"(2) Animal drug product fee.—
10	"(A) In general.—Each person—
11	"(i) who is named as the applicant in
12	an animal drug application or supple-
13	mental animal drug application for an ani-
14	mal drug product which has been submitted
15	for listing under section 510; and
16	"(ii) who, after September 1, 2003, had
17	pending before the Secretary an animal
18	drug application or supplemental animal
19	drug application,
20	shall pay for each such animal drug product the
21	annual fee established in subsection (c).
22	"(B) Payment; fee due date.—Such fee
23	shall be payable for the fiscal year in which the
24	animal drug product is first submitted for list-
25	ing under section 510, or is submitted for re-

1	listing under section 510 if the animal drug
2	product has been withdrawn from listing and re-
3	listed. After such fee is paid for that fiscal year,
4	such fee shall be due each subsequent fiscal year
5	that the product remains listed, upon the later
6	of—
7	"(i) the first business day after the
8	date of enactment of an appropriations Act
9	providing for the collection and obligation
10	of fees for such fiscal year under this sec-
11	$tion;\ or$
12	"(ii) January 31 of each year.
13	"(C) Limitation.—Such fee shall be paid
14	only once for each animal drug product for a fis-
15	cal year in which the fee is payable.
16	"(3) Animal drug establishment fee.—
17	"(A) In General.—Each person—
18	"(i) who owns or operates, directly or
19	through an affiliate, an animal drug estab-
20	lishment;
21	"(ii) who is named as the applicant in
22	an animal drug application or supple-
23	mental animal drug application for an ani-
24	mal drug product which has been submitted
25	for listing under section 510; and

1	"(iii) who, after September 1, 2003,
2	had pending before the Secretary an animal
3	drug application or supplemental animal
4	drug application,
5	shall be assessed an annual establishment fee as
6	established in subsection (c) for each animal
7	drug establishment listed in its approved animal
8	drug application as an establishment that manu-
9	factures the animal drug product named in the
10	application.
11	"(B) Payment; fee due date.—The an-
12	nual establishment fee shall be assessed in each
13	fiscal year in which the animal drug product
14	named in the application is assessed a fee under
15	paragraph (2) unless the animal drug establish-
16	ment listed in the application does not engage in
17	the manufacture of the animal drug product dur-
18	ing the fiscal year. The fee under this paragraph
19	for a fiscal year shall be due upon the later of—
20	"(i) the first business day after the
21	date of enactment of an appropriations Act
22	providing for the collection and obligation
23	of fees for such fiscal year under this sec-
24	$tion;\ or$
25	"(ii) January 31 of each year.

1	"(C) Limitation.—
2	"(i) In General.—An establishment
3	shall be assessed only one fee per fiscal year
4	under this section, subject to clause (ii).
5	"(ii) Certain manufacturers.—If a
6	single establishment manufactures both ani-
7	mal drug products and prescription drug
8	products, as defined in section 735(3), such
9	establishment shall be assessed both the ani-
10	mal drug establishment fee and the pre-
11	scription drug establishment fee, as set forth
12	in section 736(a)(2), within a single fiscal
13	year.
14	"(4) Animal drug sponsor fee.—
15	"(A) In general.—Each person—
16	"(i) who meets the definition of an
17	animal drug sponsor within a fiscal year;
18	and
19	"(ii) who, after September 1, 2003, had
20	pending before the Secretary an animal
21	drug application, a supplemental animal
22	drug application, or an investigational ani-
23	mal drug submission,
24	shall be assessed an annual sponsor fee as estab-
25	lished under subsection (c).

1	"(B) Payment; fee due date.—The fee
2	under this paragraph for a fiscal year shall be
3	due upon the later of—
4	"(i) the first business day after the
5	date of enactment of an appropriations Act
6	providing for the collection and obligation
7	of fees for such fiscal year under this sec-
8	$tion; \ or$
9	"(ii) January 31 of each year.
10	"(C) Limitation.—Each animal drug
11	sponsor shall pay only one such fee each fiscal
12	year.
13	"(b) Fee Revenue Amounts.—
14	"(1) In general.—Subject to subsections (c),
15	(d), (f), and (g)—
16	"(A) for fiscal year 2014, the fees required
17	under subsection (a) shall be established to gen-
18	erate a total revenue amount of \$23,600,000; and
19	"(B) for each of fiscal years 2015 through
20	2018, the fees required under subsection (a) shall
21	be established to generate a total revenue amount
22	of \$21,600,000.
23	"(2) Types of fees.—Of the total revenue
24	amount determined for a fiscal year under paragraph
25	(1)—

1	"(A) 20 percent shall be derived from fees
2	under subsection (a)(1) (relating to animal drug
3	applications and supplements);
4	"(B) 27 percent shall be derived from fees
5	under subsection (a)(2) (relating to animal drug
6	products);
7	"(C) 26 percent shall be derived from fees
8	under subsection (a)(3) (relating to animal drug
9	establishments); and
10	"(D) 27 percent shall be derived from fees
11	under subsection (a)(4) (relating to animal drug
12	sponsors).
13	"(c) Annual Fee Setting; Adjustments.—
14	"(1) Annual fee setting.—The Secretary shall
15	establish, 60 days before the start of each fiscal year
16	beginning after September 30, 2003, for that fiscal
17	year, animal drug application fees, supplemental ani-
18	mal drug application fees, animal drug sponsor fees,
19	animal drug establishment fees, and animal drug
20	product fees based on the revenue amounts established
21	under subsection (b) and the adjustments provided
22	under this subsection.
23	"(2) Inflation adjustment.—For fiscal year
24	2015 and subsequent fiscal years, the revenue
25	amounts established in subsection (b) shall be adjusted

by the Secretary by notice, published in the Federal
 Register, for a fiscal year, by an amount equal to the
 sum of—

"(A) one;

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"(B) the average annual percent change in the cost, per full-time equivalent position of the Food and Drug Administration, of all personnel compensation and benefits paid with respect to such positions for the first 3 of the preceding 4 fiscal years for which data are available, multiplied by the average proportion of personnel compensation and benefits costs to total Food and Drug Administration costs for the first 3 years of the preceding 4 fiscal years for which data are available; and

"(C) the average annual percent change that occurred in the Consumer Price Index for urban consumers (Washington-Baltimore, DC-MD-VA-WV; not seasonally adjusted; all items less food and energy; annual index) for the first 3 years of the preceding 4 years for which data are available multiplied by the average proportion of all costs other than personnel compensation and benefits costs to total Food and Drug Administration costs for the first 3 years of the preceding 4 fiscal years for which data are available.

The adjustment made each fiscal year under this paragraph shall be added on a compounded basis to the sum of all adjustments made each fiscal year after fiscal year 2014 under this paragraph.

"(3) WORKLOAD ADJUSTMENT.—For fiscal year 2015 and subsequent fiscal years, after the revenue amounts established in subsection (b) are adjusted for inflation in accordance with paragraph (2), the revenue amounts shall be further adjusted for such fiscal year to reflect changes in the workload of the Secretary for the process for the review of animal drug applications. With respect to such adjustment—

"(A) such adjustment shall be determined by the Secretary based on a weighted average of the change in the total number of animal drug applications, supplemental animal drug applications for which data with respect to safety or effectiveness are required, manufacturing supplemental animal drug applications, investigational animal drug study submissions, and investigational animal drug protocol submissions submitted to the Secretary;

- "(B) the Secretary shall publish in the Federal Register the fees resulting from such adjustment and the supporting methodologies; and
 - "(C) under no circumstances shall such adjustment result in fee revenues for a fiscal year that are less than the fee revenues for that fiscal year established in subsection (b), as adjusted for inflation under paragraph (2).
 - "(4) Final year adjustment.—For fiscal year 2018, the Secretary may, in addition to other adjustments under this subsection, further increase the fees under this section, if such an adjustment is necessary to provide for up to 3 months of operating reserves of carryover user fees for the process for the review of animal drug applications for the first 3 months of fiscal year 2019. If the Food and Drug Administration has carryover balances for the process for the review of animal drug applications in excess of 3 months of such operating reserves, then this adjustment will not be made. If this adjustment is necessary, then the rationale for the amount of the increase shall be contained in the annual notice setting fees for fiscal year 2018.
 - "(5) Limit.—The total amount of fees charged, as adjusted under this subsection, for a fiscal year

1	may not exceed the total costs for such fiscal year for
2	the resources allocated for the process for the review
3	of animal drug applications.
4	"(d) Fee Waiver or Reduction.—
5	"(1) In general.—The Secretary shall grant a
6	waiver from or a reduction of one or more fees as-
7	sessed under subsection (a) where the Secretary finds
8	that—
9	"(A) the assessment of the fee would present
10	a significant barrier to innovation because of
11	limited resources available to such person or
12	$other\ circumstances;$
13	"(B) the fees to be paid by such person will
14	exceed the anticipated present and future costs
15	incurred by the Secretary in conducting the
16	process for the review of animal drug applica-
17	tions for such person;
18	"(C) the animal drug application or supple-
19	mental animal drug application is intended sole-
20	ly to provide for use of the animal drug in—
21	"(i) a Type B medicated feed (as de-
22	fined in section 558.3(b)(3) of title 21, Code
23	of Federal Regulations (or any successor
24	regulation)) intended for use in the manu-

1	facture of Type C free-choice medicated
2	feeds; or
3	"(ii) a Type C free-choice medicated
4	feed (as defined in section 558.3(b)(4) of
5	title 21, Code of Federal Regulations (or
6	$any\ successor\ regulation));$
7	"(D) the animal drug application or sup-
8	plemental animal drug application is intended
9	solely to provide for a minor use or minor spe-
10	cies indication; or
11	"(E) the sponsor involved is a small busi-
12	ness submitting its first animal drug application
13	to the Secretary for review.
14	"(2) Use of standard costs.—In making the
15	finding in paragraph (1)(B), the Secretary may use
16	standard costs.
17	"(3) Rules for small businesses.—
18	``(A) DEFINITION.—In paragraph (1)(E),
19	the term 'small business' means an entity that
20	has fewer than 500 employees, including employ-
21	ees of affiliates.
22	"(B) Waiver of application fee.—The
23	Secretary shall waive under paragraph $(1)(E)$
24	the application fee for the first animal drug ap-
25	plication that a small business or its affiliate

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submits to the Secretary for review. After a small 2 business or its affiliate is granted such a waiver, 3 the small business or its affiliate shall pay ap-4 plication fees for all subsequent animal drug ap-5 plications and supplemental animal drug appli-6 cations for which safety or effectiveness data are 7 required in the same manner as an entity that 8 does not qualify as a small business.

> "(C) CERTIFICATION.—The Secretary shall require any person who applies for a waiver under paragraph (1)(E) to certify their qualification for the waiver. The Secretary shall periodically publish in the Federal Register a list of persons making such certifications.

15 "(e) Effect of Failure To Pay Fees.—An animal drug application or supplemental animal drug application 16 17 submitted by a person subject to fees under subsection (a) 18 shall be considered incomplete and shall not be accepted for filing by the Secretary until all fees owed by such person have been paid. An investigational animal drug submission 21 under section 739(5)(B) that is submitted by a person subject to fees under subsection (a) shall be considered incomplete and shall not be accepted for review by the Secretary until all fees owed by such person have been paid. The Secretary may discontinue review of any animal drug applica-

- 1 tion, supplemental animal drug application, or investiga-
- 2 tional animal drug submission from a person if such person
- 3 has not submitted for payment all fees owed under this sec-
- 4 tion by 30 days after the date upon which they are due.
- 5 "(f) Assessment of Fees.—
- 6 "(1) Limitation.—Fees may not be assessed 7 under subsection (a) for a fiscal year beginning after 8 fiscal year 2003 unless appropriations for salaries 9 and expenses of the Food and Drug Administration 10 for such fiscal year (excluding the amount of fees ap-11 propriated for such fiscal year) are equal to or greater 12 than the amount of appropriations for the salaries 13 and expenses of the Food and Drug Administration 14 for the fiscal year 2003 (excluding the amount of fees 15 appropriated for such fiscal year) multiplied by the 16 adjustment factor applicable to the fiscal year in-17 volved.
 - "(2) AUTHORITY.—If the Secretary does not assess fees under subsection (a) during any portion of a fiscal year because of paragraph (1) and if at a later date in such fiscal year the Secretary may assess such fees, the Secretary may assess and collect such fees, without any modification in the rate, for animal drug applications, supplemental animal drug applications, investigational animal drug submissions,

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1 animal drug sponsors, animal drug establishments, 2 and animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) 3 4 relating to the date fees are to be paid. "(q) Crediting and Availability of Fees.— 5 "(1) In General.—Subject to paragraph (2)(C). 6 7 fees authorized under subsection (a) shall be collected 8 and available for obligation only to the extent and in 9 the amount provided in advance in appropriations 10 Acts. Such fees are authorized to be appropriated to 11 remain available until expended. Such sums as may 12 be necessary may be transferred from the Food and 13 Drug Administration salaries and expenses appro-14 priation account without fiscal year limitation to 15 such appropriation account for salary and expenses 16 with such fiscal year limitation. The sums transferred 17 shall be available solely for the process for the review 18 of animal drug applications. 19 "(2) Collections and Appropriation Acts.— 20 "(A) In General.—The fees authorized by 21 this section— 22 "(i) subject to subparagraph (C), shall 23 be collected and available in each fiscal year 24 in an amount not to exceed the amount 25 specified in appropriation Acts, or other-

1	wise made available for obligation for such
2	fiscal year; and
3	"(ii) shall be available to defray in-
4	creases in the costs of the resources allocated
5	for the process for the review of animal drug
6	applications (including increases in such
7	costs for an additional number of full-time
8	equivalent positions in the Department of
9	Health and Human Services to be engaged
10	in such process) over such costs, excluding
11	costs paid from fees collected under this sec-
12	tion, for fiscal year 2003 multiplied by the
13	$adjustment\ factor.$
14	"(B) Compliance.—The Secretary shall be
15	considered to have met the requirements of sub-
16	paragraph (A)(ii) in any fiscal year if the costs
17	funded by appropriations and allocated for the
18	process for the review of animal drug applica-
19	tions—
20	"(i) are not more than 3 percent below
21	the level specified in subparagraph $(A)(ii)$;
22	or
23	"(ii)(I) are more than 3 percent below
24	the level specified in subparagraph $(A)(ii)$,
25	and fees assessed for the fiscal year fol-

1	lowing the subsequent fiscal year are de-
2	creased by the amount in excess of 3 percent
3	by which such costs fell below the level speci-
4	fied in subparagraph $(A)(ii)$; and
5	"(II) such costs are not more than 5
6	percent below the level specified in subpara-
7	$graph\ (A)(ii).$
8	"(C) Provision for early payments.—
9	Payment of fees authorized under this section for
10	a fiscal year, prior to the due date for such fees,
11	may be accepted by the Secretary in accordance
12	with authority provided in advance in a prior
13	year appropriations Act.
14	"(3) Authorization of Appropriations.—For
15	each of the fiscal years 2014 through 2018, there is
16	authorized to be appropriated for fees under this sec-
17	tion an amount equal to the total revenue amount de-
18	termined under subsection (b) for the fiscal year, as
19	adjusted or otherwise affected under subsection (c)
20	and paragraph (4).
21	"(4) Offset of overcollections; recovery
22	OF COLLECTION SHORTFALLS.—
23	"(A) Offset of overcollections.—If the
24	sum of the cumulative amount of fees collected
25	under this section for fiscal years 2014 through

1 2016 and the amount of fees estimated to be col-2 lected under this section for fiscal year 2017 (in-3 cluding any increased fee collections attributable 4 to subparagraph (B)), exceeds the cumulative 5 amount appropriated pursuant to paragraph (3) 6 for the fiscal years 2014 through 2017, the excess 7 amount shall be credited to the appropriation 8 account of the Food and Drug Administration as 9 provided in paragraph (1), and shall be sub-10 tracted from the amount of fees that would other-11 wise be authorized to be collected under this sec-12 tion pursuant to appropriation Acts for fiscal year 2018. 13 14 "(B) RECOVERY OF COLLECTION SHORT-15 FALLS.— "(i) FISCAL YEAR 2016.—For fiscal 16 17 year 2016, the amount of fees otherwise au-18 thorized to be collected under this section 19 shall be increased by the amount, if any, by 20 which the amount collected under this sec-21 tion and appropriated for fiscal year 2014 22 falls below the amount of fees authorized for 23 fiscal year 2014 under paragraph (3). 24 "(ii) FISCAL YEAR 2017.—For fiscal

year 2017, the amount of fees otherwise au-

thorized to be collected under this section
shall be increased by the amount, if any, by
which the amount collected under this section and appropriated for fiscal year 2015
falls below the amount of fees authorized for
fiscal year 2015 under paragraph (3).

"(iii) FISCAL YEAR 2018.—For fiscal year 2018, the amount of fees otherwise authorized to be collected under this section (including any reduction in the authorized amount under subparagraph (A)), shall be increased by the cumulative amount, if any, by which the amount collected under this section and appropriated for fiscal years 2016 and 2017 (including estimated collections for fiscal year 2017) falls below the cumulative amount of fees authorized under paragraph (3) for fiscal years 2016 and 2017.

"(h) Collection of Unpaid Fees.—In any case
where the Secretary does not receive payment of a fee assessed under subsection (a) within 30 days after it is due,
such fee shall be treated as a claim of the United States
Government subject to subchapter II of chapter 37 of title
J. United States Code.

1	"(i) Written Requests for Waivers, Reductions,
2	AND REFUNDS.—To qualify for consideration for a waiver
3	or reduction under subsection (d), or for a refund of any
4	fee collected in accordance with subsection (a), a person
5	shall submit to the Secretary a written request for such
6	waiver, reduction, or refund not later than 180 days after
7	such fee is due.
8	"(j) Construction.—This section may not be con-
9	strued to require that the number of full-time equivalent
10	positions in the Department of Health and Human Serv-
11	ices, for officers, employees, and advisory committees not
12	engaged in the process of the review of animal drug applica-
13	tions, be reduced to offset the number of officers, employees,
14	and advisory committees so engaged.
15	"(k) Abbreviated New Animal Drug Applica-
16	TIONS.—The Secretary shall—
17	"(1) to the extent practicable, segregate the re-
18	view of abbreviated new animal drug applications
19	from the process for the review of animal drug appli-
20	cations; and
21	"(2) adopt other administrative procedures to
22	ensure that review times of abbreviated new animal
23	drug applications do not increase from their current
24	level due to activities under the user fee program.".

1 SEC. 104. REAUTHORIZATION; REPORTING REQUIREMENTS.

- 2 Section 740A of the Federal Food, Drug, and Cosmetic
- 3 Act (21 U.S.C. 379j-13) is amended to read as follows:
- 4 "SEC. 740A. REAUTHORIZATION; REPORTING REQUIRE-
- 5 **MENTS.**
- 6 "(a) Performance Report.—Beginning with fiscal
- 7 year 2014, not later than 120 days after the end of each
- 8 fiscal year during which fees are collected under this part,
- 9 the Secretary shall prepare and submit to the Committee
- 10 on Energy and Commerce of the House of Representatives
- 11 and the Committee on Health, Education, Labor, and Pen-
- 12 sions of the Senate a report concerning the progress of the
- 13 Food and Drug Administration in achieving the goals iden-
- 14 tified in the letters described in section 101(b) of the Animal
- 15 Drug User Fee Amendments of 2013 toward expediting the
- 16 animal drug development process and the review of the new
- 17 and supplemental animal drug applications and investiga-
- 18 tional animal drug submissions during such fiscal year, the
- 19 future plans of the Food and Drug Administration for meet-
- 20 ing the goals, the review times for abbreviated new animal
- 21 drug applications, and the administrative procedures
- 22 adopted by the Food and Drug Administration to ensure
- 23 that review times for abbreviated new animal drug applica-
- 24 tions are not increased from their current level due to ac-
- 25 tivities under the user fee program.

1	"(b) Fiscal Report.—Beginning with fiscal year
2	2014, not later than 120 days after the end of each fiscal
3	year during which fees are collected under this part, the
4	Secretary shall prepare and submit to the Committee on
5	Energy and Commerce of the House of Representatives and
6	the Committee on Health, Education, Labor, and Pensions
7	of the Senate a report on the implementation of the author-
8	ity for such fees during such fiscal year and the use, by
9	the Food and Drug Administration, of the fees collected dur-
10	ing such fiscal year for which the report is made.
11	"(c) Public Availability.—The Secretary shall make
12	the reports required under subsections (a) and (b) available
13	to the public on the Internet Web site of the Food and Drug
14	Administration.
15	"(d) Reauthorization.—
16	"(1) Consultation.—In developing rec-
17	ommendations to present to the Congress with respect
18	to the goals, and plans for meeting the goals, for the
19	process for the review of animal drug applications for
20	the first 5 fiscal years after fiscal year 2018, and for
21	the reauthorization of this part for such fiscal years,
22	the Secretary shall consult with—
23	"(A) the Committee on Energy and Com-
24	merce of the House of Representatives:

1	"(B) the Committee on Health, Education,
2	Labor, and Pensions of the Senate;
3	"(C) scientific and academic experts;
4	"(D) veterinary professionals;
5	"(E) representatives of patient and con-
6	sumer advocacy groups; and
7	" (F) the regulated industry.
8	"(2) Prior public input.—Prior to beginning
9	negotiations with the regulated industry on the reau-
10	thorization of this part, the Secretary shall—
11	"(A) publish a notice in the Federal Reg-
12	ister requesting public input on the reauthoriza-
13	tion;
14	"(B) hold a public meeting at which the
15	public may present its views on the reauthoriza-
16	tion, including specific suggestions for changes to
17	the goals referred to in subsection (a);
18	"(C) provide a period of 30 days after the
19	public meeting to obtain written comments from
20	the public suggesting changes to this part; and
21	"(D) publish the comments on the Food and
22	Drug Administration's Internet Web site.
23	"(3) Periodic consultation.—Not less fre-
24	quently than once every 4 months during negotiations
25	with the regulated industry, the Secretary shall hold

1	discussions with representatives of veterinary, patient,
2	and consumer advocacy groups to continue discus-
3	sions of their views on the reauthorization and their
4	suggestions for changes to this part as expressed
5	under paragraph (2).
6	"(4) Public review of recommendations.—
7	After negotiations with the regulated industry, the
8	Secretary shall—
9	"(A) present the recommendations developed
10	under paragraph (1) to the congressional com-
11	mittees specified in such paragraph;
12	"(B) publish such recommendations in the
13	Federal Register;
14	"(C) provide for a period of 30 days for the
15	public to provide written comments on such rec-
16	ommendations;
17	"(D) hold a meeting at which the public
18	may present its views on such recommendations;
19	and
20	"(E) after consideration of such public
21	views and comments, revise such recommenda-
22	tions as necessary.
23	"(5) Transmittal of recommendations.—Not
24	later than January 15, 2018, the Secretary shall
25	transmit to Congress the revised recommendations

1 under paragraph (4), a summary of the views and 2 comments received under such paragraph, and any 3 changes made to the recommendations in response to 4 such views and comments.

"(6) Minutes of negotiation meetings.—

"(A) Public Availability.—Before presenting the recommendations developed under paragraphs (1) through (5) to Congress, the Secretary shall make publicly available, on the Internet Web site of the Food and Drug Administration, minutes of Public Law 110-316 (122 Stat. 3509)" all negotiation meetings conducted under this subsection between the Food and Drug Administration and the regulated industry.

"(B) CONTENT.—The minutes described under subparagraph (A) shall summarize any substantive proposal made by any party to the negotiations as well as significant controversies or differences of opinion during the negotiations and their resolution.".

21 SEC. 105. SAVINGS CLAUSE.

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Notwithstanding the amendments made by this title, 23 part 4 of subchapter C of chapter VII of the Federal Food, 24 Drug, and Cosmetic Act (21 U.S.C. 379j-11 et seq.), as in 25 effect on the day before the date of the enactment of this

- 1 title, shall continue to be in effect with respect to animal
- 2 drug applications and supplemental animal drug applica-
- 3 tions (as defined in such part as of such day) that on or
- 4 after October 1, 2008, but before October 1, 2013, were ac-
- 5 cepted by the Food and Drug Administration for filing with
- 6 respect to assessing and collecting any fee required by such
- 7 part for a fiscal year prior to fiscal year 2014.

8 SEC. 106. EFFECTIVE DATE.

- 9 The amendments made by this title shall take effect
- 10 on October 1, 2013, or the date of enactment of this title,
- 11 whichever is later, except that fees under part 4 of sub-
- 12 chapter C of chapter VII of the Federal Food, Drug, and
- 13 Cosmetic Act, as amended by this title, shall be assessed for
- 14 all animal drug applications and supplemental animal
- 15 drug applications received on or after October 1, 2013, re-
- 16 gardless of the date of the enactment of this title.

17 SEC. 107. SUNSET DATES.

- 18 (a) AUTHORIZATION.—Section 740 of the Federal
- 19 Food, Drug, and Cosmetic Act (21 U.S.C. 379j-12) shall
- 20 cease to be effective October 1, 2018.
- 21 (b) REPORTING REQUIREMENTS.—Section 740A of the
- 22 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j-
- 23 13) shall cease to be effective January 31, 2019.
- 24 (c) Previous Sunset Provision.—

- 1 (1) In General.—Section 108 of the Animal
 2 Drug User Fee Amendments of 2008 (Public Law
 3 110–316) is repealed.
- 4 (2) Conforming amendment.—Public Law
 5 110–316 (122 Stat. 3509) is amended in the table of
 6 contents in section 1, by striking the item relating to
 7 section 108.
- 8 (d) Technical Clarification.—Effective November 9 18, 2003, section 5 of the Animal Drug User Fee Act of 10 2003 (Public Law 108–130) is repealed.

11 TITLE II—ANIMAL GENERIC 12 DRUG USER FEE AMENDMENTS

- 13 SECTION 201. SHORT TITLE; FINDING.
- 14 (a) SHORT TITLE.—This title may be cited as the 15 "Animal Generic Drug User Fee Amendments of 2013".
- 16 (b) Finding.—The fees authorized by this title will be
- 17 dedicated toward expediting the generic new animal drug
- 18 development process and the review of abbreviated applica-
- 19 tions for generic new animal drugs, supplemental abbre-
- 20 viated applications for generic new animal drugs, and in-
- 21 vestigational submissions for generic new animal drugs as
- 22 set forth in the goals identified in the letters from the Sec-
- 23 retary of Health and Human Services to the Chairman of
- 24 the Committee on Energy and Commerce of the House of
- 25 Representatives and the Chairman of the Committee on

1	Health, Education, Labor, and Pensions of the Senate as
2	set forth in the Congressional Record.
3	SEC. 202. AUTHORITY TO ASSESS AND USE GENERIC NEW
4	ANIMAL DRUG FEES.
5	Section 741 of the Federal Food, Drug, and Cosmetic
6	Act (21 U.S.C. 379j–21) is amended to read as follows:
7	"SEC. 741. AUTHORITY TO ASSESS AND USE GENERIC NEW
8	ANIMAL DRUG FEES.
9	"(a) Types of Fees.—Beginning with respect to fis-
10	cal year 2009, the Secretary shall assess and collect fees in
11	accordance with this section as follows:
12	"(1) Abbreviated application fee.—
13	"(A) In General.—Each person that sub-
14	mits, on or after July 1, 2008, an abbreviated
15	application for a generic new animal drug shall
16	be subject to a fee as established in subsection (c)
17	for such an application.
18	"(B) Payment.—The fee required by sub-
19	paragraph (A) shall be due upon submission of
20	the abbreviated application.
21	"(C) Exceptions.—
22	"(i) Previously filed Applica-
23	TION.—If an abbreviated application was
24	submitted by a person that paid the fee for
25	such application, was accepted for filing.

1	and was not approved or was withdrawn
2	(without a waiver or refund), the submis-
3	sion of an abbreviated application for the
4	same product by the same person (or the
5	person's licensee, assignee, or successor)
6	shall not be subject to a fee under subpara-
7	graph(A).
8	"(ii) Certain abbreviated applica-
9	TIONS INVOLVING COMBINATION ANIMAL
10	DRUGS.—An abbreviated application for an
11	animal drug described in section $512(d)(4)$
12	and submitted on or after October 1, 2013,
13	shall be subject to a fee equal to 50 percent
14	of the amount of the abbreviated application
15	fee established in subsection (c).
16	"(D) Refund of fee if application re-
17	FUSED FOR FILING.—The Secretary shall refund
18	75 percent of the fee paid under subparagraph
19	(B) for any abbreviated application which is re-
20	fused for filing.
21	"(E) Refund of fee if application
22	WITHDRAWN.—If an abbreviated application is
23	withdrawn after the application was filed, the
24	Secretary may refund the fee or portion of the fee

paid under subparagraph (B) if no substantial

1	work was performed on the application after the
2	application was filed. The Secretary shall have
3	the sole discretion to refund the fee under this
4	subparagraph. A determination by the Secretary
5	concerning a refund under this subparagraph
6	shall not be reviewable.
7	"(2) Generic new animal drug product
8	FEE.—
9	"(A) In general.—Each person—
10	"(i) who is named as the applicant in
11	an abbreviated application or supplemental
12	abbreviated application for a generic new
13	animal drug product which has been sub-
14	mitted for listing under section 510; and
15	"(ii) who, after September 1, 2008, had
16	pending before the Secretary an abbreviated
17	application or supplemental abbreviated ap-
18	plication,
19	shall pay for each such generic new animal drug
20	product the annual fee established in subsection
21	(c).
22	"(B) Payment; fee due date.—Such fee
23	shall be payable for the fiscal year in which the
24	generic new animal drug product is first sub-
25	mitted for listing under section 510, or is sub-

1	mitted for relisting under section 510 if the ge-
2	neric new animal drug product has been with-
3	drawn from listing and relisted. After such fee is
4	paid for that fiscal year, such fee shall be due
5	each subsequent fiscal year that the product re-
6	mains listed, upon the later of—
7	"(i) the first business day after the
8	date of enactment of an appropriations Act
9	providing for the collection and obligation
10	of fees for such fiscal year under this sec-
11	tion; or
12	"(ii) January 31 of each year.
13	"(C) Limitation.—Such fee shall be paid
14	only once for each generic new animal drug
15	product for a fiscal year in which the fee is pay-
16	able.
17	"(3) Generic new animal drug sponsor
18	FEE.—
19	"(A) In general.—Each person—
20	"(i) who meets the definition of a ge-
21	neric new animal drug sponsor within a
22	fiscal year; and
23	"(ii) who, after September 1, 2008, had
24	pending before the Secretary an abbreviated

1	application, a supplemental abbreviated ap-
2	plication, or an investigational submission,
3	shall be assessed an annual generic new animal
4	drug sponsor fee as established under subsection
5	(c).
6	"(B) Payment; fee due date.—Such fee
7	shall be due each fiscal year upon the later of—
8	"(i) the first business day after the
9	date of enactment of an appropriations Act
10	providing for the collection and obligation
11	of fees for such fiscal year under this sec-
12	tion; or
13	"(ii) January 31 of each year.
14	"(C) Amount of fee.—Each generic new
15	animal drug sponsor shall pay only 1 such fee
16	each fiscal year, as follows:
17	"(i) 100 percent of the amount of the
18	generic new animal drug sponsor fee pub-
19	lished for that fiscal year under subsection
20	(c) for an applicant with more than 6 ap-
21	proved abbreviated applications.
22	"(ii) 75 percent of the amount of the
23	generic new animal drug sponsor fee pub-
24	lished for that fiscal year under subsection
25	(c) for an applicant with more than 1 and

1	fewer than 7 approved abbreviated applica-
2	tions.
3	"(iii) 50 percent of the amount of the
4	generic new animal drug sponsor fee pub-
5	lished for that fiscal year under subsection
6	(c) for an applicant with 1 or fewer ap-
7	proved abbreviated applications.
8	"(b) Fee Amounts.—Subject to subsections (c), (d),
9	(f), and (g), the fees required under subsection (a) shall be
10	established to generate fee revenue amounts as follows:
11	"(1) Total fee revenues for application
12	FEES.—The total fee revenues to be collected in abbre-
13	$viated\ application\ fees\ under\ subsection\ (a)(1)\ shall$
14	be \$1,832,000 for fiscal year 2014, \$1,736,000 for fis-
15	cal year 2015, \$1,857,000 for fiscal year 2016,
16	\$1,984,000 for fiscal year 2017, and \$2,117,000 for
17	fiscal year 2018.
18	"(2) Total fee revenues for product
19	FEES.—The total fee revenues to be collected in ge-
20	neric new animal drug product fees under subsection
21	(a)(2) shall be \$2,748,000 for fiscal year 2014,
22	\$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal
23	year 2016, \$2,976,000 for fiscal year 2017, and
24	\$3.175.000 for fiscal year 2018.

1 "(3) TOTALFEEREVENUES FOR SPONSOR 2 FEES.—The total fee revenues to be collected in ge-3 neric new animal drug sponsor fees under subsection 4 (a)(3) shall be \$2,748,000 for fiscal year 2014, 5 \$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal 6 year 2016, \$2,976,000 for fiscal year 2017, and 7 \$3,175,000 for fiscal year 2018.

"(c) Annual Fee Setting; Adjustments.—

- "(1) Annual fee setting.—The Secretary shall establish, 60 days before the start of each fiscal year beginning after September 30, 2008, for that fiscal year, abbreviated application fees, generic new animal drug sponsor fees, and generic new animal drug product fees, based on the revenue amounts established under subsection (b) and the adjustments provided under this subsection.
- "(2) WORKLOAD ADJUSTMENT.—The fee revenues shall be adjusted each fiscal year after fiscal year 2014 to reflect changes in review workload. With respect to such adjustment:
- "(A) This adjustment shall be determined by the Secretary based on a weighted average of the change in the total number of abbreviated applications for generic new animal drugs, manufacturing supplemental abbreviated applica-

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tions for generic new animal drugs, investigational generic new animal drug study submissions, and investigational generic new animal drug protocol submissions submitted to the Secretary. The Secretary shall publish in the Federal Register the fees resulting from this adjustment and the supporting methodologies.

- "(B) Under no circumstances shall this workload adjustment result in fee revenues for a fiscal year that are less than the fee revenues for that fiscal year established in subsection (b).
- "(3) Final Year adjustment.—For fiscal year 2018, the Secretary may, in addition to other adjustments under this subsection, further increase the fees under this section, if such an adjustment is necessary, to provide for up to 3 months of operating reserves of carryover user fees for the process for the review of abbreviated applications for generic new animal drugs for the first 3 months of fiscal year 2019. If the Food and Drug Administration has carryover balances for the process for the review of abbreviated applications for generic new animal drugs in excess of 3 months of such operating reserves, then this adjustment shall not be made. If this adjustment is necessary, then the rationale for the amount of the increase shall be con-

- tained in the annual notice setting fees for fiscal year
 2018.
- 3 "(4) Limit.—The total amount of fees charged,
- 4 as adjusted under this subsection, for a fiscal year
- 5 may not exceed the total costs for such fiscal year for
- 6 the resources allocated for the process for the review
- 7 of abbreviated applications for generic new animal
- 8 drugs.
- 9 "(d) Fee Waiver or Reduction.—The Secretary
- 10 shall grant a waiver from or a reduction of 1 or more fees
- 11 assessed under subsection (a) where the Secretary finds that
- 12 the generic new animal drug is intended solely to provide
- 13 for a minor use or minor species indication.
- 14 "(e) Effect of Failure To Pay Fees.—An abbre-
- 15 viated application for a generic new animal drug submitted
- 16 by a person subject to fees under subsection (a) shall be con-
- 17 sidered incomplete and shall not be accepted for filing by
- 18 the Secretary until all fees owed by such person have been
- 19 paid. An investigational submission for a generic new ani-
- 20 mal drug that is submitted by a person subject to fees under
- 21 subsection (a) shall be considered incomplete and shall not
- 22 be accepted for review by the Secretary until all fees owed
- 23 by such person have been paid. The Secretary may dis-
- 24 continue review of any abbreviated application for a ge-
- 25 neric new animal drug, supplemental abbreviated applica-

1 tion for a generic new animal drug, or investigational sub-

2 mission for a generic new animal drug from a person if

3 such person has not submitted for payment all fees owed

4 under this section by 30 days after the date upon which

5 they are due.

"(f) Assessment of Fees.—

"(1) LIMITATION.—Fees may not be assessed under subsection (a) for a fiscal year beginning after fiscal year 2008 unless appropriations for salaries and expenses of the Food and Drug Administration for such fiscal year (excluding the amount of fees appropriated for such fiscal year) are equal to or greater than the amount of appropriations for the salaries and expenses of the Food and Drug Administration for the fiscal year 2003 (excluding the amount of fees appropriated for such fiscal year) multiplied by the adjustment factor applicable to the fiscal year involved.

"(2) AUTHORITY.—If the Secretary does not assess fees under subsection (a) during any portion of a fiscal year because of paragraph (1) and if at a later date in such fiscal year the Secretary may assess such fees, the Secretary may assess and collect such fees, without any modification in the rate, for abbreviated applications, generic new animal drug spon-

1 sors, and generic new animal drug products at any 2 time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to 3 be paid. "(q) Crediting and Availability of Fees.— 5 6 "(1) In General.—Subject to paragraph (2)(C), 7 fees authorized under subsection (a) shall be collected 8 and available for obligation only to the extent and in 9 the amount provided in advance in appropriations 10 Acts. Such fees are authorized to be appropriated to 11 remain available until expended. Such sums as may 12 be necessary may be transferred from the Food and Drug Administration salaries and expenses appro-13 14 priation account without fiscal year limitation to 15 such appropriation account for salary and expenses 16 with such fiscal year limitation. The sums transferred 17 shall be available solely for the process for the review 18 of abbreviated applications for generic new animal 19 drugs. 20 "(2) Collections and Appropriation acts.— 21 "(A) In General.—The fees authorized by 22 this section— 23 "(i) subject to subparagraph (C), shall 24 be collected and available in each fiscal year 25 in an amount not to exceed the amount

1	specified in appropriation Acts, or other-
2	wise made available for obligation for such
3	fiscal year; and
4	"(ii) shall be available to defray in-
5	creases in the costs of the resources allocated
6	for the process for the review of abbreviated
7	applications for generic new animal drugs
8	(including increases in such costs for an ad-
9	ditional number of full-time equivalent po-
10	sitions in the Department of Health and
11	Human Services to be engaged in such proc-
12	ess) over such costs, excluding costs paid
13	from fees collected under this section, for fis-
14	cal year 2008 multiplied by the adjustment
15	factor.
16	"(B) Compliance.—The Secretary shall be
17	considered to have met the requirements of sub-
18	paragraph (A)(ii) in any fiscal year if the costs
19	funded by appropriations and allocated for the
20	process for the review of abbreviated applications
21	for generic new animal drugs—
22	"(i) are not more than 3 percent below
23	the level specified in subparagraph $(A)(ii)$;
24	or

1	"(ii)(I) are more than 3 percent below
2	the level specified in subparagraph $(A)(ii)$,
3	and fees assessed for the fiscal year fol-
4	lowing the subsequent fiscal year are de-
5	creased by the amount in excess of 3 percent
6	by which such costs fell below the level speci-
7	fied in subparagraph (A)(ii); and
8	"(II) such costs are not more than 5
9	percent below the level specified in subpara-
10	$graph\ (A)(ii).$
11	"(C) Provision for early payments.—
12	Payment of fees authorized under this section for
13	a fiscal year, prior to the due date for such fees,
14	may be accepted by the Secretary in accordance
15	with authority provided in advance in a prior
16	$year\ appropriations\ Act.$
17	"(3) Authorization of Appropriations.—
18	There are authorized to be appropriated for fees under
19	this section—
20	"(A) \$7,328,000 for fiscal year 2014;
21	"(B) \$6,944,000 for fiscal year 2015;
22	"(C) \$7,429,000 for fiscal year 2016;
23	"(D) \$7,936,000 for fiscal year 2017; and
24	"(E) \$8,467,000 for fiscal year 2018;

as adjusted to reflect adjustments in the total fee revenues made under this section and changes in the total amounts collected by abbreviated application fees, generic new animal drug sponsor fees, and generic new animal drug product fees.

"(4) Offset.—If the sum of the cumulative amount of fees collected under this section for the fiscal years 2014 through 2016 and the amount of fees estimated to be collected under this section for fiscal year 2017 exceeds the cumulative amount appropriated under paragraph (3) for the fiscal years 2014 through 2017, the excess amount shall be credited to the appropriation account of the Food and Drug Administration as provided in paragraph (1), and shall be subtracted from the amount of fees that would otherwise be authorized to be collected under this section pursuant to appropriation Acts for fiscal year 2018.

"(h) COLLECTION OF UNPAID FEES.—In any case

19 where the Secretary does not receive payment of a fee as-20 sessed under subsection (a) within 30 days after it is due, 21 such fee shall be treated as a claim of the United States 22 Government subject to subchapter II of chapter 37 of title 23 31, United States Code.

24 "(i) Written Requests for Waivers, Reductions,
25 And Refunds.—To qualify for consideration for a waiver

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- 1 or reduction under subsection (d), or for a refund of any
- 2 fee collected in accordance with subsection (a), a person
- 3 shall submit to the Secretary a written request for such
- 4 waiver, reduction, or refund not later than 180 days after
- 5 such fee is due.
- 6 "(j) Construction.—This section may not be con-
- 7 strued to require that the number of full-time equivalent
- 8 positions in the Department of Health and Human Serv-
- 9 ices, for officers, employees, and advisory committees not
- 10 engaged in the process of the review of abbreviated applica-
- 11 tions for generic new animal drugs, be reduced to offset the
- 12 number of officers, employees, and advisory committees so
- 13 engaged.
- 14 "(k) Definitions.—In this section and section 742:
- 15 "(1) Abbreviated application for a generic
- 16 NEW ANIMAL DRUG.—The terms 'abbreviated applica-
- 17 tion for a generic new animal drug' and 'abbreviated
- application' mean an abbreviated application for the
- 19 approval of any generic new animal drug submitted
- 20 under section 512(b)(2). Such term does not include
- 21 a supplemental abbreviated application for a generic
- 22 new animal drug.
- 23 "(2) Adjustment factor.—The term 'adjust-
- 24 ment factor' applicable to a fiscal year is the Con-
- 25 sumer Price Index for all urban consumers (all items;

1	United States city average) for October of the pre-
2	ceding fiscal year divided by—
3	"(A) for purposes of subsection (f)(1), such
4	Index for October 2002; and
5	"(B) for purposes of subsection $(g)(2)(A)(ii)$,
6	such Index for October 2007.
7	"(3) Costs of resources allocated for the
8	PROCESS FOR THE REVIEW OF ABBREVIATED APPLI-
9	CATIONS FOR GENERIC NEW ANIMAL DRUGS.—The
10	term 'costs of resources allocated for the process for the
11	review of abbreviated applications for generic new
12	animal drugs' means the expenses in connection with
13	the process for the review of abbreviated applications
14	for generic new animal drugs for—
15	"(A) officers and employees of the Food and
16	Drug Administration, contractors of the Food
17	and Drug Administration, advisory committees
18	consulted with respect to the review of specific
19	abbreviated applications, supplemental abbre-
20	viated applications, or investigational submis-
21	sions, and costs related to such officers, employ-
22	ees, committees, and contractors, including costs
23	for travel, education, and recruitment and other
24	personnel activities;

1	"(B) management of information, and the
2	acquisition, maintenance, and repair of com-
3	puter resources;
4	"(C) leasing, maintenance, renovation, and
5	repair of facilities and acquisition, maintenance,
6	and repair of fixtures, furniture, scientific equip-
7	ment, and other necessary materials and sup-
8	plies; and
9	"(D) collecting fees under this section and
10	accounting for resources allocated for the review
11	of abbreviated applications, supplemental abbre-
12	viated applications, and investigational submis-
13	sions.
14	"(4) Final dos-
15	age form' means, with respect to a generic new ani-
16	mal drug product, a finished dosage form which is
17	approved for administration to an animal without
18	substantial further manufacturing. Such term in-
19	cludes generic new animal drug products intended for
20	mixing in animal feeds.
21	"(5) Generic New Animal Drug.—The term
22	'generic new animal drug' means a new animal drug
23	that is the subject of an abbreviated application.
24	"(6) Generic New Animal drug product.—
25	The term 'generic new animal drug product' means

each specific strength or potency of a particular active ingredient or ingredients in final dosage form
marketed by a particular manufacturer or distributor, which is uniquely identified by the labeler
code and product code portions of the national drug
code, and for which an abbreviated application for a
generic new animal drug or a supplemental abbreviated application has been approved.

- "(7) GENERIC NEW ANIMAL DRUG SPONSOR.—
 The term 'generic new animal drug sponsor' means either an applicant named in an abbreviated application for a generic new animal drug that has not been withdrawn by the applicant and for which approval has not been withdrawn by the Secretary, or a person who has submitted an investigational submission for a generic new animal drug that has not been terminated or otherwise rendered inactive by the Secretary.
- "(8) Investigational submission for a generic new animal drug' and 'investigational submission' mean—
 - "(A) the filing of a claim for an investigational exemption under section 512(j) for a generic new animal drug intended to be the subject

1	of an abbreviated application or a supplemental
2	abbreviated application; or
3	"(B) the submission of information for the
4	purpose of enabling the Secretary to evaluate the
5	safety or effectiveness of a generic new animal
6	drug in the event of the filing of an abbreviated
7	application or supplemental abbreviated applica-
8	tion for such drug.
9	"(9) Person.—The term 'person' includes an af-
10	filiate thereof (as such term is defined in section
11	735(11)).
12	"(10) Process for the review of abbre-
13	VIATED APPLICATIONS FOR GENERIC NEW ANIMAL
14	DRUGS.—The term 'process for the review of abbre-
15	viated applications for generic new animal drugs?
16	means the following activities of the Secretary with
17	respect to the review of abbreviated applications, sup-
18	plemental abbreviated applications, and investiga-
19	tional submissions:
20	"(A) The activities necessary for the review
21	of abbreviated applications, supplemental abbre-
22	viated applications, and investigational submis-
23	sions.
24	"(B) The issuance of action letters which
25	approve abbreviated applications or supple-

1	mental abbreviated applications or which set
2	forth in detail the specific deficiencies in abbre-
3	viated applications, supplemental abbreviated
4	applications, or investigational submissions and,
5	where appropriate, the actions necessary to place
6	such applications, supplemental applications, or
7	submissions in condition for approval.
8	"(C) The inspection of generic new animal
9	drug establishments and other facilities under-
10	taken as part of the Secretary's review of pend-
11	ing abbreviated applications, supplemental ab-
12	breviated applications, and investigational sub-
13	missions.
14	"(D) Monitoring of research conducted in
15	connection with the review of abbreviated appli-
16	cations, supplemental abbreviated applications,
17	and investigational submissions.
18	"(E) The development of regulations and
19	policy related to the review of abbreviated appli-
20	cations, supplemental abbreviated applications,
21	and investigational submissions.
22	"(F) Development of standards for products
23	subject to review.
24	"(G) Meetings between the agency and the
25	generic new animal drug sponsor.

1	"(H) Review of advertising and labeling						
2	prior to approval of an abbreviated application						
3	or supplemental abbreviated application, but no						
4	after such application has been approved.						
5	"(11) Supplemental abbreviated applic						
6	TION FOR GENERIC NEW ANIMAL DRUG.—The terms						
7	'supplemental abbreviated application for a generic						
8	new animal drug' and 'supplemental abbreviated ap						
9	plication' mean a request to the Secretary to approv						
10	a change in an approved abbreviated application.".						
11	SEC. 203. REAUTHORIZATION; REPORTING REQUIREMENTS.						
12	Section 742 of the Federal Food, Drug, and Cosmetic						
	Act (21 U.S.C. 379j–22) is amended to read as follows:						
13	Act (21 U.S.C. 379j–22) is amended to read as follows:						
13 14	Act (21 U.S.C. 379j-22) is amended to read as follows: "SEC. 742. REAUTHORIZATION; REPORTING REQUIRE-						
14	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE-						
14 15	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS.						
14 15 16 17	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal						
14 15 16 17 18	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each						
14 15 16 17 18	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each fiscal year during which fees are collected under this part,						
14 15 16 17 18	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each fiscal year during which fees are collected under this part, the Secretary shall prepare and submit to the Committee						
14 15 16 17 18 19 20 21	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each fiscal year during which fees are collected under this part, the Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate,						
14 15 16 17 18 19 20 21	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each fiscal year during which fees are collected under this part, the Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Energy and Commerce of the House						
14 15 16 17 18 19 20 21 22 23	"SEC. 742. REAUTHORIZATION; REPORTING REQUIRE- MENTS. "(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2014, not later than 120 days after the end of each fiscal year during which fees are collected under this part, the Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Energy and Commerce of the House of Representatives a report concerning the progress of the						

- 1 diting the generic new animal drug development process
- 2 and the review of abbreviated applications for generic new
- 3 animal drugs, supplemental abbreviated applications for
- 4 generic new animal drugs, and investigational submissions
- 5 for generic new animal drugs during such fiscal year.
- 6 "(b) Fiscal Report.—Beginning with fiscal year
- 7 2014, not later than 120 days after the end of each fiscal
- 8 year during which fees are collected under this part, the
- 9 Secretary shall prepare and submit to the Committee on
- 10 Health, Education, Labor, and Pensions of the Senate and
- 11 the Committee on Energy and Commerce of the House of
- 12 Representatives a report on the implementation of the au-
- 13 thority for such fees during such fiscal year and the use,
- 14 by the Food and Drug Administration, of the fees collected
- 15 during such fiscal year for which the report is made.
- 16 "(c) Public Availability.—The Secretary shall make
- 17 the reports required under subsections (a) and (b) available
- 18 to the public on the Internet Web site of the Food and Drug
- 19 Administration.
- 20 "(d) Reauthorization.—
- 21 "(1) Consultation.—In developing rec-
- ommendations to present to Congress with respect to
- 23 the goals, and plans for meeting the goals, for the
- 24 process for the review of abbreviated applications for
- 25 generic new animal drugs for the first 5 fiscal years

1	after fiscal year 2018, and for the reauthorization of						
2	this part for such fiscal years, the Secretary shall con-						
3	sult with—						
4	"(A) the Committee on Energy and Com-						
5	merce of the House of Representatives;						
6	"(B) the Committee on Health, Education,						
7	Labor, and Pensions of the Senate;						
8	"(C) scientific and academic experts;						
9	"(D) veterinary professionals;						
10	"(E) representatives of patient and con-						
11	sumer advocacy groups; and						
12	" (F) the regulated industry.						
13	"(2) Prior public input.—Prior to beginning						
14	negotiations with the regulated industry on the reau-						
15	thorization of this part, the Secretary shall—						
16	"(A) publish a notice in the Federal Reg-						
17	ister requesting public input on the reauthoriza-						
18	tion;						
19	"(B) hold a public meeting at which the						
20	public may present its views on the reauthoriza-						
21	tion, including specific suggestions for changes to						
22	the goals referred to in subsection (a);						
23	"(C) provide a period of 30 days after the						
24	public meeting to obtain written comments from						
25	the public suggesting changes to this part; and						

1	"(D) publish the comments on the Food and						
2	Drug Administration's Internet Web site.						
3	"(3) Periodic consultation.—Not less fre-						
4	quently than once every 4 months during negotiation						
5	with the regulated industry, the Secretary shall hole						
6	discussions with representatives of veterinary, patient						
7	and consumer advocacy groups to continue discus-						
8	sions of their views on the reauthorization and their						
9	suggestions for changes to this part as expressed						
10	under paragraph (2).						
11	"(4) Public review of recommendations.—						
12	After negotiations with the regulated industry, the						
13	Secretary shall—						
14	"(A) present the recommendations developed						
15	under paragraph (1) to the congressional com-						
16	mittees specified in such paragraph;						
17	"(B) publish such recommendations in the						
18	Federal Register;						
19	"(C) provide for a period of 30 days for the						
20	public to provide written comments on such rec-						
21	ommendations;						
22	"(D) hold a meeting at which the public						
23	may present its views on such recommendations;						
24	and						

1 "(E) after consideration of such public 2 views and comments, revise such recommenda-3 tions as necessary.

"(5) Transmittal of recommendations.—Not later than January 15, 2018, the Secretary shall transmit to Congress the revised recommendations under paragraph (4), a summary of the views and comments received under such paragraph, and any changes made to the recommendations in response to such views and comments.

"(6) Minutes of negotiation meetings.—

"(A) Public Availability.—Before presenting the recommendations developed under paragraphs (1) through (5) to Congress, the Secretary shall make publicly available, on the Internet Web site of the Food and Drug Administration, minutes of all negotiation meetings conducted under this subsection between the Food and Drug Administration and the regulated industry.

"(B) CONTENT.—The minutes described under subparagraph (A) shall summarize any substantive proposal made by any party to the negotiations as well as significant controversies

- 1 or differences of opinion during the negotiations
- 2 and their resolution.".

3 SEC. 204. SAVINGS CLAUSE.

- 4 Notwithstanding the amendments made by this title,
- 5 part 5 of subchapter C of chapter VII of the Federal Food,
- 6 Drug, and Cosmetic Act, as in effect on the day before the
- 7 date of enactment of this title, shall continue to be in effect
- 8 with respect to abbreviated applications for a generic new
- 9 animal drug and supplemental abbreviated applications for
- 10 a generic new animal drug (as defined in such part as of
- 11 such day) that on or after October 1, 2008, but before Octo-
- 12 ber 1, 2013, were accepted by the Food and Drug Adminis-
- 13 tration for filing with respect to assessing and collecting
- 14 any fee required by such part for a fiscal year prior to fiscal
- 15 year 2014.

16 SEC. 205. EFFECTIVE DATE.

- 17 The amendments made by this title shall take effect
- 18 on October 1, 2013, or the date of enactment of this title,
- 19 whichever is later, except that fees under part 5 of sub-
- 20 chapter C of chapter VII of the Federal Food, Drug, and
- 21 Cosmetic Act, as amended by this title, shall be assessed for
- 22 all abbreviated applications for a generic new animal drug
- 23 and supplemental abbreviated applications for a generic
- 24 new animal drug received on or after October 1, 2013, re-
- 25 gardless of the date of enactment of this title.

SEC. 206. SUNSET DATES.

- 2 (a) Authorization.—Section 741 of the Federal
- 3 Food, Drug, and Cosmetic Act (21 U.S.C. 379j-21) shall
- 4 cease to be effective October 1, 2018.
- 5 (b) REPORTING REQUIREMENTS.—Section 742 of the
- 6 Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j-
- 7 22) shall cease to be effective January 31, 2019.
- 8 (c) Previous Sunset Provision.—
- 9 (1) In General.—Section 204 of the Animal Ge-
- 10 neric Drug User Fee Act of 2008 (Public Law 110–
- 11 *316) is repealed.*
- 12 (2) Conforming amendment.—Public Law
- 13 110-316 (122 Stat. 3509) is amended in the table of
- 14 contents in section 1, by striking the item relating to
- 15 *section 204.*

Amend the title so as to read: "A bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize user fee programs relating to new animal drugs and generic new animal drugs.".

Union Calendar No. 135

113TH CONGRESS H. R. 1407

[Report No. 113-188]

A BILL

To amend the Federal Food, Drug, and Cosmetic Act to reauthorize user fee programs relating to new animal drugs.

August 2, 2013

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed