

AMENDING THE FEDERAL FOOD, DRUG, AND COSMETIC
ACT TO REAUTHORIZE USER FEE PROGRAMS RELATING
TO NEW ANIMAL DRUGS

AUGUST 2, 2013.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. UPTON, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

[To accompany H.R. 1407]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred
the bill (H.R. 1407) to amend the Federal Food, Drug, and Cos-
metic Act to reauthorize user fee programs relating to new animal
drugs, having considered the same, report favorably thereon with
amendments and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. TABLE OF CONTENTS.

Sec. 1. Table of Contents.

TITLE I—ANIMAL DRUG USER FEE AMENDMENTS

Sec. 101. Short title; finding.
 Sec. 102. Definitions.
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 Sec. 104. Reauthorization; reporting requirements.
 Sec. 105. Savings clause.
 Sec. 106. Effective date.
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TITLE II—ANIMAL GENERIC DRUG USER FEE AMENDMENTS

Sec. 201. Short title; finding.
 Sec. 202. Authority to assess and use generic new animal drug fees.
 Sec. 203. Reauthorization; reporting requirements.
 Sec. 204. Savings clause.
 Sec. 205. Effective date.
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TITLE I—ANIMAL DRUG USER FEE AMENDMENTS

SEC. 101. SHORT TITLE; FINDING.

(a) **SHORT TITLE.**—This title may be cited as the “Animal Drug User Fee Amendments of 2013”.

(b) **FINDING.**—Congress finds that the fees authorized by the amendments made in this title will be dedicated toward expediting the animal drug development process and the review of new and supplemental animal drug applications and investigational animal drug submissions as set forth in the goals identified, for purposes of part 4 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act, in the letters from the Secretary of Health and Human Services to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Health, Education, Labor, and Pensions of the Senate as set forth in the Congressional Record.

SEC. 102. DEFINITIONS.

Section 739 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–11) is amended to read as follows:

“SEC. 739. DEFINITIONS.

“For purposes of this part:

“(1) The term ‘animal drug application’ means an application for approval of any new animal drug submitted under section 512(b)(1). Such term does not include either a new animal drug application submitted under section 512(b)(2) or a supplemental animal drug application.

“(2) The term ‘supplemental animal drug application’ means—

“(A) a request to the Secretary to approve a change in an animal drug application which has been approved; or

“(B) a request to the Secretary to approve a change to an application approved under section 512(c)(2) for which data with respect to safety or effectiveness are required.

“(3) The term ‘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 animal drug application or a supplemental animal 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 application 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, supplements, 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.

“(F) Development of standards for products subject to review.

“(G) Meetings between the agency and the animal drug sponsor.

“(H) Review of advertising and labeling prior to approval of an animal drug application or supplemental animal drug application, but not after such application has been approved.

“(9) The term ‘costs of resources allocated for the process for the review of animal drug applications’ means the expenses in connection with the process for the review of animal drug applications for—

“(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific animal drug applications, supplemental animal drug applications, or investigational animal drug submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities;

“(B) management of information and the acquisition, maintenance, and repair of computer resources;

“(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies; and

“(D) collecting fees under section 740 and accounting for resources allocated for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

“(10) The term ‘adjustment factor’ applicable to a fiscal year refers to the formula set forth in section 735(8) with the base or comparator month being October 2002.

“(11) The term ‘person’ includes an affiliate thereof.

“(12) The term ‘affiliate’ refers to the definition set forth in section 735(11).”.

SEC. 103. AUTHORITY TO ASSESS AND USE ANIMAL DRUG FEES.

Section 740 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–12) is amended to read as follows:

“SEC. 740. AUTHORITY TO ASSESS AND USE ANIMAL DRUG FEES.

“(a) **TYPES OF FEES.**—Beginning in fiscal year 2004, the Secretary shall assess and collect fees in accordance with this section as follows:

“(1) **ANIMAL DRUG APPLICATION AND SUPPLEMENT FEE.**—

“(A) **IN GENERAL.**—Each person that submits, on or after September 1, 2003, an animal drug application or a supplemental animal drug application shall be subject to a fee as follows:

“(i) A fee established in subsection (c) for an animal drug application, except an animal drug application described in section 512(d)(4).

“(ii) A fee established in subsection (c), in an amount that is equal to 50 percent of the amount of the fee under clause (i), for—

“(I) a supplemental animal drug application for which safety or effectiveness data are required; and

“(II) an animal drug application described in section 512(d)(4).

“(B) PAYMENT.—The fee required by subparagraph (A) shall be due upon submission of the animal drug application or supplemental animal drug application.

“(C) EXCEPTION FOR PREVIOUSLY FILED APPLICATION OR SUPPLEMENT.—If an 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 REFUSED 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 of the fee paid under subparagraph (B) if no substantial work was performed on the application or supplement after the application or supplement was filed. The Secretary shall have the sole discretion to refund the fee under this paragraph. A determination by the Secretary concerning a refund under this paragraph shall not be reviewable.

“(2) ANIMAL DRUG PRODUCT FEE.—

“(A) IN GENERAL.—Each person—

“(i) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510; and

“(ii) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application, shall pay for each such animal drug product the annual fee established in subsection (c).

“(B) PAYMENT; FEE DUE DATE.—Such fee shall be payable for the fiscal year in which the animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be due each subsequent fiscal year that the product remains listed, upon the later of—

“(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

“(ii) January 31 of each year.

“(C) LIMITATION.—Such fee shall be paid only once for each animal drug product for a fiscal year in which the fee is payable.

“(3) ANIMAL DRUG ESTABLISHMENT FEE.—

“(A) IN GENERAL.—Each person—

“(i) who owns or operates, directly or through an affiliate, an animal drug establishment;

“(ii) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510; and

“(iii) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application, shall be assessed an annual establishment fee as established in subsection (c) for each animal drug establishment listed in its approved animal drug application as an establishment that manufactures the animal drug product named in the application.

“(B) PAYMENT; FEE DUE DATE.—The annual establishment fee shall be assessed in each fiscal year in which the animal drug product named in the application is assessed a fee under paragraph (2) unless the animal drug establishment listed in the application does not engage in the manufacture

of the animal drug product during the fiscal year. The fee under this paragraph for a fiscal year shall be due upon the later of—

“(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

“(ii) January 31 of each year.

“(C) LIMITATION.—

“(i) IN GENERAL.—An establishment shall be assessed only one fee per fiscal year under this section, subject to clause (ii).

“(ii) CERTAIN MANUFACTURERS.—If a single establishment manufactures both animal drug products and prescription drug products, as defined in section 735(3), such establishment shall be assessed both the animal drug establishment fee and the prescription drug establishment fee, as set forth in section 736(a)(2), within a single fiscal year.

“(4) ANIMAL DRUG SPONSOR FEE.—

“(A) IN GENERAL.—Each person—

“(i) who meets the definition of an animal drug sponsor within a fiscal year; and

“(ii) who, after September 1, 2003, had pending before the Secretary an animal drug application, a supplemental animal drug application, or an investigational animal drug submission,

shall be assessed an annual sponsor fee as established under subsection (c).

“(B) PAYMENT; FEE DUE DATE.—The fee under this paragraph for a fiscal year shall be due upon the later of—

“(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

“(ii) January 31 of each year.

“(C) LIMITATION.—Each animal drug sponsor shall pay only one such fee each fiscal year.

“(b) FEE REVENUE AMOUNTS.—

“(1) IN GENERAL.—Subject to subsections (c), (d), (f), and (g)—

“(A) for fiscal year 2014, the fees required under subsection (a) shall be established to generate a total revenue amount of \$23,600,000; and

“(B) for each of fiscal years 2015 through 2018, the fees required under subsection (a) shall be established to generate a total revenue amount of \$21,600,000.

“(2) TYPES OF FEES.—Of the total revenue amount determined for a fiscal year under paragraph (1)—

“(A) 20 percent shall be derived from fees under subsection (a)(1) (relating to animal drug applications and supplements);

“(B) 27 percent shall be derived from fees under subsection (a)(2) (relating to animal drug products);

“(C) 26 percent shall be derived from fees under subsection (a)(3) (relating to animal drug establishments); and

“(D) 27 percent shall be derived from fees under subsection (a)(4) (relating to animal drug sponsors).

“(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, 2003, for that fiscal year, animal drug application fees, supplemental animal drug application fees, animal drug sponsor fees, animal drug establishment fees, and animal drug product fees based on the revenue amounts established under subsection (b) and the adjustments provided under this subsection.

“(2) INFLATION ADJUSTMENT.—For fiscal year 2015 and subsequent fiscal years, the revenue 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;

“(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 may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of animal drug applications.

“(d) FEE WAIVER OR REDUCTION.—

“(1) IN GENERAL.—The Secretary shall grant a waiver from or a reduction of one or more fees assessed under subsection (a) where the Secretary finds that—

“(A) the assessment of the fee would present a significant barrier to innovation because of limited resources available to such person or other circumstances;

“(B) the fees to be paid by such person will exceed the anticipated present and future costs incurred by the Secretary in conducting the process for the review of animal drug applications for such person;

“(C) the animal drug application or supplemental animal drug application is intended solely to provide for use of the animal drug in—

“(i) a Type B medicated feed (as defined in section 558.3(b)(3) of title 21, Code of Federal Regulations (or any successor regulation)) intended for use in the manufacture of Type C free-choice medicated feeds; or

“(ii) a Type C free-choice medicated feed (as defined in section 558.3(b)(4) of title 21, Code of Federal Regulations (or any successor regulation));

“(D) the animal drug application or supplemental animal drug application is intended solely to provide for a minor use or minor species indication; or

“(E) the sponsor involved is a small business submitting its first animal drug application to the Secretary for review.

“(2) USE OF STANDARD COSTS.—In making the finding in paragraph (1)(B), the Secretary may use standard costs.

“(3) RULES FOR SMALL BUSINESSES.—

“(A) DEFINITION.—In paragraph (1)(E), the term ‘small business’ means an entity that has fewer than 500 employees, including employees of affiliates.

“(B) WAIVER OF APPLICATION FEE.—The Secretary shall waive under paragraph (1)(E) the application fee for the first animal drug application that a small business or its affiliate submits to the Secretary for review. After

a small business or its affiliate is granted such a waiver, the small business or its affiliate shall pay application fees for all subsequent animal drug applications and supplemental animal drug applications for which safety or effectiveness data are required in the same manner as an entity that 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.

“(e) EFFECT OF FAILURE TO PAY FEES.—An animal drug application or supplemental animal drug application submitted by a person subject to fees under subsection (a) 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 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 application, supplemental animal drug application, or investigational animal drug submission from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 2003 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 animal drug applications, supplemental animal drug applications, investigational animal drug submissions, animal drug sponsors, animal drug establishments, and animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

“(g) CREDITING AND AVAILABILITY OF FEES.—

“(1) IN GENERAL.—Subject to paragraph (2)(C), fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of animal drug applications.

“(2) COLLECTIONS AND APPROPRIATION ACTS.—

“(A) IN GENERAL.—The fees authorized by this section—

“(i) subject to subparagraph (C), shall be collected and available in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year; and

“(ii) shall be available to defray increases in the costs of the resources allocated for the process for the review of animal drug applications (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2003 multiplied by the adjustment factor.

“(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of animal drug applications—

“(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

“(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent

by which such costs fell below the level specified in subparagraph (A)(ii); and

“(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

“(C) PROVISION FOR EARLY PAYMENTS.—Payment of fees authorized under this section for a fiscal year, prior to the due date for such fees, may be accepted by the Secretary in accordance with authority provided in advance in a prior year appropriations Act.

“(3) AUTHORIZATION OF APPROPRIATIONS.—For each of the fiscal years 2014 through 2018, there is authorized to be appropriated for fees under this section an amount equal to the total revenue amount determined under subsection (b) for the fiscal year, as adjusted or otherwise affected under subsection (c) and paragraph (4).

“(4) OFFSET OF OVERCOLLECTIONS; RECOVERY OF COLLECTION SHORTFALLS.—

“(A) OFFSET OF OVERCOLLECTIONS.—If the sum of the cumulative amount of fees collected under this section for fiscal years 2014 through 2016 and the amount of fees estimated to be collected under this section for fiscal year 2017 (including any increased fee collections attributable to subparagraph (B)), exceeds the cumulative amount appropriated pursuant to 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.

“(B) RECOVERY OF COLLECTION SHORTFALLS.—

“(i) FISCAL YEAR 2016.—For fiscal year 2016, the amount of fees otherwise authorized 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 2014 falls below the amount of fees authorized for fiscal year 2014 under paragraph (3).

“(ii) FISCAL YEAR 2017.—For fiscal year 2017, the amount of fees otherwise authorized 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 31, United States Code.

“(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

“(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of animal drug applications, be reduced to offset the number of officers, employees, and advisory committees so engaged.

“(k) ABBREVIATED NEW ANIMAL DRUG APPLICATIONS.—The Secretary shall—

“(1) to the extent practicable, segregate the review of abbreviated new animal drug applications from the process for the review of animal drug applications; and

“(2) adopt other administrative procedures to ensure that review times of abbreviated new animal drug applications do not increase from their current level due to activities under the user fee program.”

SEC. 104. REAUTHORIZATION; REPORTING REQUIREMENTS.

Section 740A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–13) is amended to read as follows:

“SEC. 740A. REAUTHORIZATION; REPORTING REQUIREMENTS.

“(a) **PERFORMANCE REPORT.**—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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report concerning the progress of the Food and Drug Administration in achieving the goals identified in the letters described in section 101(b) of the Animal Drug User Fee Amendments of 2013 toward expediting the animal drug development process and the review of the new and supplemental animal drug applications and investigational animal drug submissions during such fiscal year, the future plans of the Food and Drug Administration for meeting the goals, the review times for abbreviated new animal drug applications, and the administrative procedures adopted by the Food and Drug Administration to ensure that review times for abbreviated new animal drug applications are not increased from their current level due to activities under the user fee program.

“(b) **FISCAL REPORT.**—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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

“(c) **PUBLIC AVAILABILITY.**—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

“(d) **REAUTHORIZATION.**—

“(1) **CONSULTATION.**—In developing recommendations to present to the Congress with respect to the goals, and plans for meeting the goals, for the process for the review of animal drug applications for the first 5 fiscal years after fiscal year 2018, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

“(A) the Committee on Energy and Commerce of the House of Representatives;

“(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

“(C) scientific and academic experts;

“(D) veterinary professionals;

“(E) representatives of patient and consumer advocacy groups; and

“(F) the regulated industry.

“(2) **PRIOR PUBLIC INPUT.**—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

“(A) publish a notice in the Federal Register requesting public input on the reauthorization;

“(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

“(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

“(D) publish the comments on the Food and Drug Administration’s Internet Web site.

“(3) **PERIODIC CONSULTATION.**—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

“(4) **PUBLIC REVIEW OF RECOMMENDATIONS.**—After negotiations with the regulated industry, the Secretary shall—

“(A) present the recommendations developed under paragraph (1) to the congressional committees specified in such paragraph;

“(B) publish such recommendations in the Federal Register;

“(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

“(D) hold a meeting at which the public may present its views on such recommendations; and

“(E) after consideration of such public views and comments, revise such recommendations 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 para-

graph, 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 or differences of opinion during the negotiations and their resolution.”.

SEC. 105. SAVINGS CLAUSE.

Notwithstanding the amendments made by this title, part 4 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–11 et seq.), as in effect on the day before the date of the enactment of this title, shall continue to be in effect with respect to animal drug applications and supplemental animal drug applications (as defined in such part as of such day) that on or after October 1, 2008, but before October 1, 2013, were accepted by the Food and Drug Administration for filing with respect to assessing and collecting any fee required by such part for a fiscal year prior to fiscal year 2014.

SEC. 106. EFFECTIVE DATE.

The amendments made by this title shall take effect on October 1, 2013, or the date of enactment of this title, whichever is later, except that fees under part 4 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act, as amended by this title, shall be assessed for all animal drug applications and supplemental animal drug applications received on or after October 1, 2013, regardless of the date of the enactment of this title.

SEC. 107. SUNSET DATES.

(a) **AUTHORIZATION.—**Section 740 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–12) shall cease to be effective October 1, 2018.

(b) **REPORTING REQUIREMENTS.—**Section 740A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–13) shall cease to be effective January 31, 2019.

(c) **PREVIOUS SUNSET PROVISION.—**

(1) **IN GENERAL.—**Section 108 of the Animal Drug User Fee Amendments of 2008 (Public Law 110–316) is repealed.

(2) **CONFORMING AMENDMENT.—**Public Law 110–316 (122 Stat. 2509) is amended in the table of contents in section 1, by striking the item relating to section 108.

(d) **TECHNICAL CLARIFICATION.—**Effective November 18, 2003, section 5 of the Animal Drug User Fee Act of 2003 (Public Law 108–130) is repealed.

TITLE II—ANIMAL GENERIC DRUG USER FEE AMENDMENTS

SECTION 201. SHORT TITLE; FINDING.

(a) **SHORT TITLE.—**This title may be cited as the “Animal Generic Drug User Fee Amendments of 2013”.

(b) **FINDING.—**The fees authorized by this title will be dedicated toward expediting the generic new animal drug development process and the review of abbreviated applications for generic new animal drugs, supplemental abbreviated applications for generic new animal drugs, and investigational submissions for generic new animal drugs as set forth in the goals identified in the letters from the Secretary of Health and Human Services to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Health, Education, Labor, and Pensions of the Senate as set forth in the Congressional Record.

SEC. 202. AUTHORITY TO ASSESS AND USE GENERIC NEW ANIMAL DRUG FEES.

Section 741 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–21) is amended to read as follows:

“SEC. 741. AUTHORITY TO ASSESS AND USE GENERIC NEW ANIMAL DRUG FEES.

“(a) TYPES OF FEES.—Beginning with respect to fiscal year 2009, the Secretary shall assess and collect fees in accordance with this section as follows:

“(1) ABBREVIATED APPLICATION FEE.—

“(A) IN GENERAL.—Each person that submits, on or after July 1, 2008, an abbreviated application for a generic new animal drug shall be subject to a fee as established in subsection (c) for such an application.

“(B) PAYMENT.—The fee required by subparagraph (A) shall be due upon submission of the abbreviated application.

“(C) EXCEPTIONS.—

“(i) PREVIOUSLY FILED APPLICATION.—If an abbreviated application was submitted by a person that paid the fee for such application, was accepted for filing, and was not approved or was withdrawn (without a waiver or refund), the submission of an abbreviated 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).

“(ii) CERTAIN ABBREVIATED APPLICATIONS INVOLVING COMBINATION ANIMAL DRUGS.—An abbreviated application for an animal drug described in section 512(d)(4) and submitted on or after October 1, 2013, shall be subject to a fee equal to 50 percent of the amount of the abbreviated application fee established in subsection (c).

“(D) REFUND OF FEE IF APPLICATION REFUSED FOR FILING.—The Secretary shall refund 75 percent of the fee paid under subparagraph (B) for any abbreviated application which is refused for filing.

“(E) REFUND OF FEE IF APPLICATION WITHDRAWN.—If an abbreviated application is withdrawn after the application was filed, the Secretary may refund the fee or portion of the fee paid under subparagraph (B) if no substantial work was performed on the application after the application was filed. The Secretary shall have the sole discretion to refund the fee under this subparagraph. A determination by the Secretary concerning a refund under this subparagraph shall not be reviewable.

“(2) GENERIC NEW ANIMAL DRUG PRODUCT FEE.—

“(A) IN GENERAL.—Each person—

“(i) who is named as the applicant in an abbreviated application or supplemental abbreviated application for a generic new animal drug product which has been submitted for listing under section 510; and

“(ii) who, after September 1, 2008, had pending before the Secretary an abbreviated application or supplemental abbreviated application, shall pay for each such generic new animal drug product the annual fee established in subsection (c).

“(B) PAYMENT; FEE DUE DATE.—Such fee shall be payable for the fiscal year in which the generic new animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the generic new animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be due each subsequent fiscal year that the product remains listed, upon the later of—

“(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

“(ii) January 31 of each year.

“(C) LIMITATION.—Such fee shall be paid only once for each generic new animal drug product for a fiscal year in which the fee is payable.

“(3) GENERIC NEW ANIMAL DRUG SPONSOR FEE.—

“(A) IN GENERAL.—Each person—

“(i) who meets the definition of a generic new animal drug sponsor within a fiscal year; and

“(ii) who, after September 1, 2008, had pending before the Secretary an abbreviated application, a supplemental abbreviated application, or an investigational submission, shall be assessed an annual generic new animal drug sponsor fee as established under subsection (c).

“(B) PAYMENT; FEE DUE DATE.—Such fee shall be due each fiscal year upon the later of—

“(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

“(ii) January 31 of each year.

“(C) AMOUNT OF FEE.—Each generic new animal drug sponsor shall pay only 1 such fee each fiscal year, as follows:

“(i) 100 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with more than 6 approved abbreviated applications.

“(ii) 75 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with more than 1 and fewer than 7 approved abbreviated applications.

“(iii) 50 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with 1 or fewer approved abbreviated applications.

“(b) FEE AMOUNTS.—Subject to subsections (c), (d), (f), and (g), the fees required under subsection (a) shall be established to generate fee revenue amounts as follows:

“(1) TOTAL FEE REVENUES FOR APPLICATION FEES.—The total fee revenues to be collected in abbreviated application fees under subsection (a)(1) shall be \$1,832,000 for fiscal year 2014, \$1,736,000 for fiscal year 2015, \$1,857,000 for fiscal year 2016, \$1,984,000 for fiscal year 2017, and \$2,117,000 for fiscal year 2018.

“(2) TOTAL FEE REVENUES FOR PRODUCT FEES.—The total fee revenues to be collected in generic new animal drug product fees under subsection (a)(2) shall be \$2,748,000 for fiscal year 2014, \$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal year 2016, \$2,976,000 for fiscal year 2017, and \$3,175,000 for fiscal year 2018.

“(3) TOTAL FEE REVENUES FOR SPONSOR FEES.—The total fee revenues to be collected in generic new animal drug sponsor fees under subsection (a)(3) shall be \$2,748,000 for fiscal year 2014, \$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal year 2016, \$2,976,000 for fiscal year 2017, and \$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 applications 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 contained in the annual notice setting fees for fiscal year 2018.

“(4) LIMIT.—The total amount of fees charged, as adjusted under this subsection, for a fiscal year may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of abbreviated applications for generic new animal drugs.

“(d) FEE WAIVER OR REDUCTION.—The Secretary shall grant a waiver from or a reduction of 1 or more fees assessed under subsection (a) where the Secretary finds that the generic new animal drug is intended solely to provide for a minor use or minor species indication.

“(e) EFFECT OF FAILURE TO PAY FEES.—An abbreviated application for a generic new animal drug submitted by a person subject to fees under subsection (a) 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 submission for a generic new animal drug 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 abbreviated application for a generic new animal drug, supplemental abbreviated application for a generic new animal drug, or investigational submission for a generic new animal drug from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 sponsors, and generic new animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

“(g) CREDITING AND AVAILABILITY OF FEES.—

“(1) IN GENERAL.—Subject to paragraph (2)(C), fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of abbreviated applications for generic new animal drugs.

“(2) COLLECTIONS AND APPROPRIATION ACTS.—

“(A) IN GENERAL.—The fees authorized by this section—

“(i) subject to subparagraph (C), shall be collected and available in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year; and

“(ii) shall be available to defray increases in the costs of the resources allocated for the process for the review of abbreviated applications for generic new animal drugs (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2008 multiplied by the adjustment factor.

“(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of abbreviated applications for generic new animal drugs—

“(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

“(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

“(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

“(C) PROVISION FOR EARLY PAYMENTS.—Payment of fees authorized under this section for a fiscal year, prior to the due date for such fees, may be accepted by the Secretary in accordance with authority provided in advance in a prior year appropriations Act.

“(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fees under this section—

“(A) \$7,328,000 for fiscal year 2014;

“(B) \$6,944,000 for fiscal year 2015;

- “(C) \$7,429,000 for fiscal year 2016;
- “(D) \$7,936,000 for fiscal year 2017; and
- “(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 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 31, United States Code.

“(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

“(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of abbreviated applications for generic new animal drugs, be reduced to offset the number of officers, employees, and advisory committees so engaged.

“(k) DEFINITIONS.—In this section and section 742:

“(1) ABBREVIATED APPLICATION FOR A GENERIC NEW ANIMAL DRUG.—The terms ‘abbreviated application for a generic new animal drug’ and ‘abbreviated application’ mean an abbreviated application for the approval of any generic new animal drug submitted under section 512(b)(2). Such term does not include a supplemental abbreviated application for a generic new animal drug.

“(2) ADJUSTMENT FACTOR.—The term ‘adjustment factor’ applicable to a fiscal year is the Consumer Price Index for all urban consumers (all items; United States city average) for October of the preceding fiscal year divided by—

“(A) for purposes of subsection (f)(1), such Index for October 2002; and

“(B) for purposes of subsection (g)(2)(A)(ii), such Index for October 2007.

“(3) COSTS OF RESOURCES ALLOCATED FOR THE PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.—The term ‘costs of resources allocated for the process for the review of abbreviated applications for generic new animal drugs’ means the expenses in connection with the process for the review of abbreviated applications for generic new animal drugs for—

“(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific abbreviated applications, supplemental abbreviated applications, or investigational submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities;

“(B) management of information, and the acquisition, maintenance, and repair of computer resources;

“(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies; and

“(D) collecting fees under this section and accounting for resources allocated for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

“(4) FINAL DOSAGE FORM.—The term ‘final dosage form’ means, with respect to a generic new animal drug product, a finished dosage form which is approved for administration to an animal without substantial further manufacturing. Such term includes generic new animal drug products intended for mixing in animal feeds.

“(5) GENERIC NEW ANIMAL DRUG.—The term ‘generic new animal drug’ means a new animal drug that is the subject of an abbreviated application.

“(6) GENERIC NEW ANIMAL DRUG PRODUCT.—The term ‘generic new animal drug product’ means each specific strength or potency of a particular active in-

redient 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.—The terms ‘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 of an abbreviated application or a supplemental abbreviated application; or

“(B) the submission of information for the purpose of enabling the Secretary to evaluate the safety or effectiveness of a generic new animal drug in the event of the filing of an abbreviated application or supplemental abbreviated application for such drug.

“(9) PERSON.—The term ‘person’ includes an affiliate thereof (as such term is defined in section 735(11)).

“(10) PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.—The term ‘process for the review of abbreviated applications for generic new animal drugs’ means the following activities of the Secretary with respect to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions:

“(A) The activities necessary for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

“(B) The issuance of action letters which approve abbreviated applications or supplemental abbreviated applications or which set forth in detail the specific deficiencies in abbreviated applications, supplemental abbreviated applications, or investigational submissions and, where appropriate, the actions necessary to place such applications, supplemental applications, or submissions in condition for approval.

“(C) The inspection of generic new animal drug establishments and other facilities undertaken as part of the Secretary’s review of pending abbreviated applications, supplemental abbreviated applications, and investigational submissions.

“(D) Monitoring of research conducted in connection with the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

“(E) The development of regulations and policy related to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

“(F) Development of standards for products subject to review.

“(G) Meetings between the agency and the generic new animal drug sponsor.

“(H) Review of advertising and labeling prior to approval of an abbreviated application or supplemental abbreviated application, but not after such application has been approved.

“(11) SUPPLEMENTAL ABBREVIATED APPLICATION FOR GENERIC NEW ANIMAL DRUG.—The terms ‘supplemental abbreviated application for a generic new animal drug’ and ‘supplemental abbreviated application’ mean a request to the Secretary to approve a change in an approved abbreviated application.”.

SEC. 203. REAUTHORIZATION; REPORTING REQUIREMENTS.

Section 742 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–22) is amended to read as follows:

“SEC. 742. REAUTHORIZATION; REPORTING REQUIREMENTS.

“(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 Food and Drug Administration in achieving the goals identified in the letters described in section 201(b) of the Animal Generic Drug User Fee Amendments of 2013 toward expediting the generic new animal drug development process and the review of ab-

breviated applications for generic new animal drugs, supplemental abbreviated applications for generic new animal drugs, and investigational submissions for generic new animal drugs during such fiscal year.

“(b) FISCAL REPORT.—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 on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

“(c) PUBLIC AVAILABILITY.—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

“(d) REAUTHORIZATION.—

“(1) CONSULTATION.—In developing recommendations to present to Congress with respect to the goals, and plans for meeting the goals, for the process for the review of abbreviated applications for generic new animal drugs for the first 5 fiscal years after fiscal year 2018, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

“(A) the Committee on Energy and Commerce of the House of Representatives;

“(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

“(C) scientific and academic experts;

“(D) veterinary professionals;

“(E) representatives of patient and consumer advocacy groups; and

“(F) the regulated industry.

“(2) PRIOR PUBLIC INPUT.—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

“(A) publish a notice in the Federal Register requesting public input on the reauthorization;

“(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

“(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

“(D) publish the comments on the Food and Drug Administration’s Internet Web site.

“(3) PERIODIC CONSULTATION.—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

“(4) PUBLIC REVIEW OF RECOMMENDATIONS.—After negotiations with the regulated industry, the Secretary shall—

“(A) present the recommendations developed under paragraph (1) to the congressional committees specified in such paragraph;

“(B) publish such recommendations in the Federal Register;

“(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

“(D) hold a meeting at which the public may present its views on such recommendations; and

“(E) after consideration of such public views and comments, revise such recommendations 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 or differences of opinion during the negotiations and their resolution.”

SEC. 204. SAVINGS CLAUSE.

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

SEC. 205. EFFECTIVE DATE.

The amendments made by this title shall take effect on October 1, 2013, or the date of enactment of this title, whichever is later, except that fees under part 5 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act, as amended by this title, shall be assessed for all abbreviated applications for a generic new animal drug and supplemental abbreviated applications for a generic new animal drug received on or after October 1, 2013, regardless of the date of enactment of this title.

SEC. 206. SUNSET DATES.

(a) **AUTHORIZATION.**—Section 741 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–21) shall cease to be effective October 1, 2018.

(b) **REPORTING REQUIREMENTS.**—Section 742 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j–22) shall cease to be effective January 31, 2019.

(c) **PREVIOUS SUNSET PROVISION.**—

(1) **IN GENERAL.**—Section 204 of the Animal Generic Drug User Fee Act of 2008 (Public Law 110–316) is repealed.

(2) **CONFORMING AMENDMENT.**—Public Law 110–316 (122 Stat. 3509) is amended in the table of contents in section 1, by striking the item relating to section 204.

Amend the title 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.

PURPOSE AND SUMMARY

H.R. 1407, the “Animal Drug User Fee Amendments of 2013,” was introduced on April 9, 2013, by Rep. John Shimkus (R–IL) and subsequently referred to the Committee on Energy and Commerce Subcommittee on Health.

This legislation would amend the Federal Food, Drug, and Cosmetic Act to reauthorize user fee programs relating to new and generic animal drugs.

BACKGROUND AND NEED FOR LEGISLATION

Title I of H.R. 1407 would reauthorize the Animal Drug User Fee Act. In 2003, Congress first enacted the Animal Drug User Fee Act (ADUFA) to help improve the Food and Drug Administration’s (FDA) review of new animal drugs. The program was modeled after the Prescription Drug User Fee Program for human drugs and authorized for five years (ADUFA I).¹ Under the user fee authority of ADUFA I, FDA collected funds to help expedite the new animal drug approval process, reduce the application backlog, and improve communications with drug sponsors. In 2008, because of the success of the program, Congress reauthorized ADUFA for an addi-

¹Department of Health and Human Services, Food and Drug Administration, Fiscal Year 2005. <http://www.fda.gov/aboutfda/reportsmanualsforms/reports/budgetreports/2005fda-budgetsummary/ucm112985.htm>

tional five years (ADUFA II). Unless Congress reauthorizes these user fees, FDA cannot collect them after September 30, 2013.

Following the process prescribed by statute, FDA and industry negotiated a proposed agreement (agreement) regarding the size and scope of the user fees for Fiscal Years (FY) 2014 to 2018. In February 2013, FDA sent its final legislative recommendations on the agreement to the Committee on Energy and Commerce. Under the agreement, industry would pay approximately \$23,600,000 in FY 2014 (\$21,600,000 plus \$2,000,000 for one-time information technology funding), and similar amounts in the remaining four years based on inflation adjusters. The fee would be paid through application fees (20 percent), product fees (27 percent), sponsor fees (27 percent), and establishment fees (26 percent).²

Title II of H.R. 1407 would reauthorize the Animal Generic Drug User Fee Act (AGDUFA). The language of this title is identical to H.R. 1408, which was introduced by Rep. Gardner (R-CO) on April 9, 2013. H.R. 1408 was also the subject of the legislative hearing on April 9.

In 2008, Congress authorized the AGDUFA program for five years in order to improve the review of abbreviated new animal drug applications (AGDUFA I). AGDUFA I enabled the agency to eliminate its application backlog and reduce review times. FDA cannot collect these user fees after September 30, 2013, unless they are reauthorized by Congress.

Similar to ADUFA, FDA and industry negotiated an agreement regarding the size and scope of AGDUFA for FY 2014 to 2018, and FDA sent its final legislative recommendations on the AGDUFA agreement to the Committee in February 2013. Under the proposed AGDUFA agreement, the industry would pay \$7,328,000 in FY 2014 (\$6,478,000 plus \$850,000 for one-time information technology funding), \$6,944,000 in FY 2015, \$7,429,000 in FY 2016, \$7,936,000 in FY 2017, and \$8,467,000 in FY 2018. These fees would be paid through application fees (25 percent), product fees (37.5 percent), and sponsor fees (37.5 percent).³

HEARINGS

The Subcommittee on Health held a hearing on the reauthorization of Animal Drug User Fee Program and the Animal Generic Drug User Fee Program on April 9, 2013. The Subcommittee received testimony from: Dr. Bernadette Dunham, Director, Center for Veterinary Medicine, Food and Drug Administration; Dr. Richard A. Carnevale, Vice President, Regulatory, Scientific and International Affairs, Animal Health Institute; Dr. Mike Apley, Professor and Section Head, Production Medicine and Clinical Pharmacology, College of Veterinary Medicine, Kansas State University; and Dr. Lance B. Price, Professor, Department of Occupational and Environmental Health, George Washington University.

COMMITTEE CONSIDERATION

On May 8, 2013, the Subcommittee on Health met in open markup session and approved H.R. 1407, Animal Drug User Fee Amend-

²Proposed ADUFA III Provisions of the Federal Food, Drug, and Cosmetic Act. Page 6-7.

³Proposed ADUFA III Provisions of the Federal Food, Drug, and Cosmetic Act. Page 6-7.

ments Act of 2013, for full Committee consideration, as amended, by a voice vote.

On May 15, 2013, the full Committee met in open markup session and approved H.R. 1407 by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 1407 reported. A motion by Mr. Upton to order H.R. 1407 reported to the House, as amended, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings that are reflected in this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

H.R. 1407, Animal Drug User Fee Amendments Act of 2013, would reauthorize the Animal Drug User Fee Act and the Animal Drug User Fee Act through September 30, 2018.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 1407, Animal Drug User Fee Amendments Act of 2013, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives, the Committee finds that H.R. 1407, Animal Drug User Fee Amendments Act of 2013, contains no earmarks, limited tax benefits, or limited tariff benefits.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 24, 2013.

Hon. FRED UPTON,
*Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1407, the Animal Drug User Fee Amendments of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julia Christensen.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 1407—Animal Drug User Fee Amendments of 2013

Summary: H.R. 1407 would authorize the collection and spending of fees by the Food and Drug Administration (FDA) for certain activities to expedite the development and marketing approval of drugs for use in animals. Fees would supplement appropriated funds to cover FDA's costs associated with reviewing certain applications and investigational submissions for brand and generic animal drugs. Such fees could be collected and made available for obligation only to the extent and in the amounts provided in advance in appropriation acts. The legislation would extend through fiscal year 2018, and make several technical changes to, FDA's existing fee programs for brand and generic animal drugs, which expire at the end of fiscal year 2013.

CBO estimates that implementing H.R. 1407 would reduce discretionary outlays, on net, by \$7 million over the 2014–2018 period, assuming appropriation actions consistent with the bill.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 1407 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would impose private-sector mandates, as defined in UMRA, because it would require manufacturers of drugs for use in animals to pay specified fees to FDA. CBO estimates that the direct cost of complying with these requirements would not exceed the annual threshold established by UMRA for private-sector mandates (\$150 million in 2013, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1407 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014– 2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I: Fees Relating to Animal Drugs:						
Collections from Fees:						
Estimated Authorization Level	–24	–22	–22	–23	–23	–114
Estimated Outlays	–24	–22	–22	–23	–23	–114
Spending of Fees:						
Estimated Authorization Level	24	22	22	23	23	114
Estimated Outlays	19	21	22	23	23	109

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
Subtotal, Estimated Authorization Level	0	0	0	0	0	0
Subtotal, Estimated Outlays	– 5	– 1	*	*	*	– 6
Title II: Fees Relating to Generic Animal Drugs:						
Collections from Fees						
Estimated Authorization Level	– 7	– 7	– 7	– 8	– 8	– 38
Estimated Outlays	– 7	– 7	– 7	– 8	– 8	– 38
Spending of Fees						
Estimated Authorization Level	7	7	7	8	8	38
Estimated Outlays	6	7	7	8	8	36
Subtotal, Estimated Authorization Level	0	0	0	0	0	0
Subtotal, Estimated Outlays	– 1	*	*	*	*	– 2
Administrative Expenses:						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Net Effect on Spending by the Food and Drug Administration:						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	– 6	– 1	*	*	*	– 7

Note: Components may not sum to totals because of rounding; * = between –\$500,000 and \$500,000.

Basis of estimate: For this estimate, CBO assumes that H.R. 1407 will be enacted near the start of fiscal year 2014, that the full amounts authorized will be collected and appropriated for each year, and that outlays will follow historical patterns for the fee programs. Assuming appropriation actions that trigger the collection of fees and are consistent with other provisions of the bill, CBO estimates that implementing H.R. 1407 would reduce discretionary outlays, on net, by \$7 million over the 2014–2018 period, mostly because the spending of authorized fees lags slightly behind their collection.

Conditions for assessment and use of fees

H.R. 1407 would authorize the collection and spending of fees by FDA for certain activities to expedite the development and marketing approval of drugs for use in animals for fiscal years 2014 through 2018. Under current law, FDA administers two separate fee programs involving animal drugs: One program covers brand-name animal drugs and the other program covers generic drugs for use in animals. Both fee programs will expire at the end of fiscal year 2013.

Fees authorized by the bill could be collected and made available for obligation by FDA only to the extent and in the amounts provided in advance in appropriation acts. The legislation would also retain the existing statutory limitations that fees cannot be assessed in a given year unless appropriations for salaries and expenses of FDA (excluding the amount of user fees appropriated for such fiscal year) satisfy a maintenance-of-effort requirement. Fees could be assessed only if the amount appropriated in that year equals or exceeds the amount appropriated for 2003 increased by an adjustment factor that reflects the percentage increase in the consumer price index for all urban consumers.

In addition, for each of the programs, fees could be collected and spent in a given year only if the cost of resources allocated to reviewing brand and generic animal drug applications (excluding fees) exceeds the amount that is 3 percent below the level allocated

for such activities in a base year inflated by an adjustment factor. This estimate assumes that such conditions would be met.

Title I: Fees relating to animal drugs

H.R. 1407 would authorize FDA to assess and spend certain fees from manufacturers of brand-name drugs for use in animals to help defray FDA's costs of expediting the regulatory review process for such drugs through fiscal year 2018. For fiscal year 2012, FDA collected about \$21 million in fees associated with brand-name animal drugs.

Similar to the existing fee structure, four categories of fees would be authorized by title I of the bill: (1) animal drug application and supplement fees, (2) animal drug product fees, (3) animal drug establishment fees, and (4) animal drug sponsor fees. H.R. 1407 would authorize the appropriation of specific aggregate amounts of collections for each fiscal year 2014 through 2018, subject to further adjustments defined by the legislation. Collections would be adjusted each year by an inflation factor to reflect changes in FDA's operating costs. Collections could also be modified based on certain workload estimates, when applicable. (No such adjustments for workload have occurred over the last four years of the existing program, and we expect that they would not occur in the future.) For fiscal year 2018, the bill would authorize the collection of operating reserves for the beginning of fiscal year 2019, unless carry-over balances for the fee program exceed three months of such reserves. CBO expects that the final-year adjustment for operating reserves would not be made. We estimate aggregate collections from fees for the brand animal drug program authorized by H.R. 1407 would total \$114 million over the 2014–2018 period.

CBO estimates that authorizing the fee program for brand animal drugs through 2018 would reduce discretionary outlays, on net, by \$6 million over the 2014–2018 period, assuming appropriation actions consistent with the bill. The estimated authorization levels for collections and spending offset each other exactly from 2014 through 2018. However, spending of authorized fees lags somewhat behind their collection, thereby generating savings over the period.

Title II: Fees relating to generic animal drugs

H.R. 1407 would extend FDA's authority to assess and spend fees from manufacturers of certain generic new drugs for use in animals that would help cover the costs of regulatory activities to expedite the development and approval for marketing such drugs through fiscal year 2018. (The term "generic new drug" refers to drugs that must gain marketing approval by FDA because they are not generally recognized as safe and effective for use in animals and are approved under an abbreviated review process.) Collections associated with FDA's fee program for generic animal drugs totaled about \$7 million for fiscal year 2012.

Three categories of fees would be authorized by title II of the bill: (1) fees for abbreviated applications, (2) fees on generic new drug products for animals, and (3) fees on sponsors of generic new drugs for animals. The bill would authorize the appropriation of specific aggregate amounts of collections for each fiscal year 2014 through 2018. Collections could be further adjusted each year based on certain workload estimates, when applicable. (No such adjustments for

workload have occurred over the last four years of the existing program, and we expect that they would not occur in the future.) For fiscal year 2018, the bill would authorize additional adjustments to collections under specific circumstances, including the assessment of up to three months of operating reserves for the beginning of fiscal year 2019, unless carryover balances for the fee program exceed three months of such reserves. CBO expects that the final-year adjustment for operating reserves would not be made. We estimate aggregate collections from fees for generic new animal drugs authorized by the bill would total \$38 million over the 2014–2018 period.

CBO estimates that authorizing the fee program for generic new animal drugs over the 2014–2018 period would reduce discretionary outlays, on net, by \$2 million over that period, assuming appropriation actions consistent with the bill. Because FDA would have the authority to spend collections, the estimated negative budget authority resulting from collections would exactly offset the budget authority for spending in each fiscal year. However, spending of fees would lag behind the collections and thus generate net discretionary savings over the 2014–2018 period.

Other administrative expenses

Funding for certain administrative activities associated with the fee programs authorized by H.R. 1407 would not be fully covered by fees. The bill would require that FDA report annually to the Congress on its performance under the fee programs and on the fiscal status of the programs. The legislation would also require that FDA consult with the Congressional committees of jurisdiction and outside experts, including industry and consumer groups, and publish its recommendations concerning reauthorization of the fee programs. CBO estimates that such administrative activities associated with implementing H.R. 1407 that are not covered by fees would cost less than \$500,000 annually.

Pay-as-You-Go considerations: None.

Estimated impact on state, local, and tribal governments: H.R. 1407 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimated impact on the private sector: The imposition of application, product, establishment, and sponsor fees that private entities would pay to FDA would be considered a private-sector mandate as defined in UMRA. CBO estimates that the fees collected over the 2014–2018 period would total \$153 million. Those amounts would not exceed the annual threshold specified in UMRA (\$150 million in 2013, adjusted annually for inflation) in any of the five years that the mandate would be effective.

Previous CBO estimate: On March 20, 2013, CBO transmitted a cost estimate for S. 622, the Animal Drug and Animal Generic Drug User Fee Reauthorization Act of 2013, as reported by the Senate Committee on Health, Education, Labor, and Pensions on March 20, 2013. The text of the two pieces of legislation is nearly identical, and the CBO cost estimates are the same.

Estimate prepared by: Federal Costs: Julia Christensen; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Alexia Diorio.

Estimate approved by: Holly Harvey, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 1407 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 1407 specifically directs to be completed zero specific rule makings within the meaning of 5 U.S.C. 551.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

TITLE I—ANIMAL DRUG USER FEE AMENDMENTS

Section 101. Short Title; Finding: This section provides the short title and finding.

Section 102. Definitions: This section defines the terms “animal drug application,” “supplemental animal drug application,” “animal drug product,” “animal drug establishment,” “investigational animal drug submission,” “animal drug sponsor,” “final dosage form,” “process for the review of animal drug applications,” “costs of resources allocated for the process for the review of animal drug applications,” “adjustment factor,” “person,” and “affiliate.”

Section 103. Authority to Assess and Use Animal Drug Fees: This section establishes the fees due under this title of the bill.

Section 104. Reauthorization; Reporting Requirements: This section requires FDA to submit a performance report and financial report within 120 days after the end of each FY. Both of these reports will be available on the FDA website. The section also establishes the process for the reauthorization of the user fee.

Section 105. Savings Clause: Animal drug applications and supplemental animal drug applications submitted and accepted for filing by the FDA on or after October 1, 2008, but before October 1,

2013, and which are still pending as of the AGDUFA II enactment are subject to AGDUFA I fees.

Section 106. Effective Date: This section establishes the effective date as the later of October 1, 2013, or the date of enactment.

Section 107. Sunset Dates: This section provides that the title will cease to be effective on October 1, 2018.

TITLE II—ANIMAL GENERIC DRUG USER FEE

Section 201. Short Title; Finding: This section provides the short title and finding.

Section 202. Authority to Assess and Use Generic New Animal Drug Fees: This section establishes the animal generic drug fees under the bill.

Section 203. Reauthorization; Reporting Requirements: This section requires the Secretary to submit a financial report and performance report within 120 days after the end of each fiscal year. Both of these reports will be available on the FDA's website. The section also establishes the process for the reauthorization of the fee.

Section 204. Savings Clause: Applications submitted and accepted for filing on or after October 1, 2008, but before October 1, 2013, and which are still pending as of the AGDUFA II enactment, are subject to AGDUFA I fees.

Section 205. Effective Date: This section establishes the effective date as the later of October 1, 2013, or the date of enactment.

Section 206. Sunset Dates: This section provides that the title will cease to be effective on October 1, 2018.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FEDERAL FOOD, DRUG, AND COSMETIC ACT

* * * * *

CHAPTER VII—GENERAL AUTHORITY

* * * * *

SUBCHAPTER C—FEES

* * * * *

PART 4—FEES RELATING TO ANIMAL DRUGS

[SEC. 739. DEFINITIONS.

[For purposes of this part:

[(1) The term “animal drug application” means an application for approval of any new animal drug submitted under section 512(b)(1). Such term does not include either a new animal drug application submitted under section 512(b)(2) or a supplemental animal drug application.

[(2) The term “supplemental animal drug application” means—

[(A) a request to the Secretary to approve a change in an animal drug application which has been approved; or

[(B) a request to the Secretary to approve a change to an application approved under section 512(c)(2) for which data with respect to safety or effectiveness are required.

[(3) The term “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 animal drug application or a supplemental animal 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 application 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 ap-

plications, supplements 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.

[(F) Development of standards for products subject to review.

[(G) Meetings between the agency and the animal drug sponsor.

[(H) Review of advertising and labeling prior to approval of an animal drug application or supplemental animal drug application, but not after such application has been approved.

[(9) The term "costs of resources allocated for the process for the review of animal drug applications" means the expenses incurred in connection with the process for the review of animal drug applications for—

[(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific animal drug applications, supplemental animal drug applications, or investigational animal drug submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities,

[(B) management of information, and the acquisition, maintenance, and repair of computer resources,

[(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies, and

[(D) collecting fees under section 740 and accounting for resources allocated for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

[(10) The term "adjustment factor" applicable to a fiscal year refers to the formula set forth in section 735(8) with the base or comparator month being October 2002.

[(11) The term "person" includes an affiliate thereof.

[(12) The term "affiliate" refers to the definition set forth in section 735(11).

[SEC. 740. AUTHORITY TO ASSESS AND USE ANIMAL DRUG FEES.

[(a) TYPES OF FEES.—Beginning in fiscal year 2004, the Secretary shall assess and collect fees in accordance with this section as follows:

[(1) ANIMAL DRUG APPLICATION AND SUPPLEMENT FEE.—

[(A) IN GENERAL.—Each person that submits, on or after September 1, 2003, an animal drug application or a supplemental animal drug application shall be subject to a fee as follows:

[(i) A fee established in subsection (b) for an animal drug application, except an animal drug application subject to the criteria set forth in section 512(d)(4); and

[(ii) A fee established in subsection (b), in an amount that is equal to 50 percent of the amount of the fee under clause (i), for—

[(I) a supplemental animal drug application for which safety or effectiveness data are required; and

[(II) an animal drug application subject to the criteria set forth in section 512(d)(4).

[(B) PAYMENT.—The fee required by subparagraph (A) shall be due upon submission of the animal drug application or supplemental animal drug application.

[(C) EXCEPTION FOR PREVIOUSLY FILED APPLICATION OR SUPPLEMENT.—If an 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 REFUSED 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 of the fee paid under subparagraph (B) if no substantial work was performed on the application or supplement after the application or supplement was filed. The Secretary shall have the sole discretion to refund the fee under this paragraph. A determination by the Secretary concerning a refund under this paragraph shall not be reviewable.

[(2) ANIMAL DRUG PRODUCT FEE.—Each person—

[(A) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510, and

[(B) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application;

shall pay for each such animal drug product the annual fee established in subsection (b). Such fee shall be payable for the fiscal year in which the animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be payable on or before January 31 of each year. Such fee shall be paid only once for each animal drug product for a fiscal year in which the fee is payable.

[(3) ANIMAL DRUG ESTABLISHMENT FEE.—Each person—

[(A) who owns or operates, directly or through an affiliate, an animal drug establishment, and

[(B) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510, and

[(C) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application,

shall be assessed an annual fee established in subsection (b) for each animal drug establishment listed in its approved animal drug application as an establishment that manufactures the animal drug product named in the application. The annual establishment fee shall be assessed in each fiscal year in which the animal drug product named in the application is assessed a fee under paragraph (2) unless the animal drug establishment listed in the application does not engage in the manufacture of the animal drug product during the fiscal year. The fee shall be paid on or before January 31 of each year. The establishment shall be assessed only one fee per fiscal year under this section: *Provided, however,* That where a single establishment manufactures both animal drug products and prescription drug products, as defined in section 735(3), such establishment shall be assessed both the animal drug establishment fee and the prescription drug establishment fee, as set forth in section 736(a)(2), within a single fiscal year.

[(4) ANIMAL DRUG SPONSOR FEE.—Each person—

[(A) who meets the definition of an animal drug sponsor within a fiscal year; and

[(B) who, after September 1, 2003, had pending before the Secretary an animal drug application, a supplemental animal drug application, or an investigational animal drug submission,

shall be assessed an annual fee established under subsection (b). The fee shall be paid on or before January 31 of each year. Each animal drug sponsor shall pay only one such fee each fiscal year.

[(b) FEE AMOUNTS.—Except as provided in subsection (a)(1) and subsections (c), (d), (f), and (g), the fees required under subsection (a) shall be established to generate fee revenue amounts as follows:

[(1) TOTAL FEE REVENUES FOR APPLICATION AND SUPPLEMENT FEES.—The total fee revenues to be collected in animal drug application fees under subsection (a)(1)(A)(i) and supplemental and other animal drug application fees under subsection (a)(1)(A)(ii) shall be \$3,815,000 for fiscal year 2009, \$4,320,000

for fiscal year 2010, \$4,862,000 for fiscal year 2011, \$5,442,000 for fiscal year 2012, and \$6,061,000 for fiscal year 2013.

[(2) TOTAL FEE REVENUES FOR PRODUCT FEES.—The total fee revenues to be collected in product fees under subsection (a)(2) shall be \$3,815,000 for fiscal year 2009, \$4,320,000 for fiscal year 2010, \$4,862,000 for fiscal year 2011, \$5,442,000 for fiscal year 2012, and \$6,061,000 for fiscal year 2013.

[(3) TOTAL FEE REVENUES FOR ESTABLISHMENT FEES.—The total fee revenues to be collected in establishment fees under subsection (a)(3) shall be \$3,815,000 for fiscal year 2009, \$4,320,000 for fiscal year 2010, \$4,862,000 for fiscal year 2011, \$5,442,000 for fiscal year 2012, and \$6,061,000 for fiscal year 2013.

[(4) TOTAL FEE REVENUES FOR SPONSOR FEES.—The total fee revenues to be collected in sponsor fees under subsection (a)(4) shall be \$3,815,000 for fiscal year 2009, \$4,320,000 for fiscal year 2010, \$4,862,000 for fiscal year 2011, \$5,442,000 for fiscal year 2012, and \$6,061,000 for fiscal year 2013.

[(c) ADJUSTMENTS.—

[(1) WORKLOAD ADJUSTMENT.—The fee revenues shall be adjusted each fiscal year after fiscal year 2009 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 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. 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).

[(2) FINAL YEAR ADJUSTMENT.—For fiscal year 2013, the Secretary may further increase the fees 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 2014. 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 2013.

[(3) ANNUAL FEE SETTING.—The Secretary shall establish, 60 days before the start of each fiscal year beginning after September 30, 2003, for that fiscal year, animal drug application fees, supplemental animal drug application fees, animal drug sponsor fees, animal drug establishment fees, and animal drug product fees based on the revenue amounts established under

subsection (b) and the adjustments provided under this subsection.

[(4) LIMIT.—The total amount of fees charged, as adjusted under this subsection, for a fiscal year may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of animal drug applications.

[(d) FEE WAIVER OR REDUCTION.—

[(1) IN GENERAL.—The Secretary shall grant a waiver from or a reduction of 1 or more fees assessed under subsection (a) where the Secretary finds that—

[(A) the assessment of the fee would present a significant barrier to innovation because of limited resources available to such person or other circumstances,

[(B) the fees to be paid by such person will exceed the anticipated present and future costs incurred by the Secretary in conducting the process for the review of animal drug applications for such person,

[(C) the animal drug application or supplemental animal drug application is intended solely to provide for use of the animal drug in—

[(i) a Type B medicated feed (as defined in section 558.3(b)(3) of title 21, Code of Federal Regulations (or any successor regulation)) intended for use in the manufacture of Type C free-choice medicated feeds, or

[(ii) a Type C free-choice medicated feed (as defined in section 558.3(b)(4) of title 21, Code of Federal Regulations (or any successor regulation)),

[(D) the animal drug application or supplemental animal drug application is intended solely to provide for a minor use or minor species indication, or

[(E) the sponsor involved is a small business submitting its first animal drug application to the Secretary for review.

[(2) USE OF STANDARD COSTS.—In making the finding in paragraph (1)(B), the Secretary may use standard costs.

[(3) RULES FOR SMALL BUSINESSES.—

[(A) DEFINITION.—In paragraph (1)(E), the term “small business” means an entity that has fewer than 500 employees, including employees of affiliates.

[(B) WAIVER OF APPLICATION FEE.—The Secretary shall waive under paragraph (1)(E) the application fee for the first animal drug application that a small business or its affiliate submits to the Secretary for review. After a small business or its affiliate is granted such a waiver, the small business or its affiliate shall pay application fees for all subsequent animal drug applications and supplemental animal drug applications for which safety or effectiveness data are required in the same manner as an entity that 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.

[(e) EFFECT OF FAILURE TO PAY FEES.—An animal drug application or supplemental animal drug application submitted by a person subject to fees under subsection (a) 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 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 application, supplemental animal drug application or investigational animal drug submission from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 2003 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 animal drug applications, supplemental animal drug applications, investigational animal drug submissions, animal drug sponsors, animal drug establishments and animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

[(g) CREDITING AND AVAILABILITY OF FEES.—

[(1) IN GENERAL.—Fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of animal drug applications.

[(2) COLLECTIONS AND APPROPRIATION ACTS.—

[(A) IN GENERAL.—The fees authorized by this section—

[(i) shall be retained in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year, and

[(ii) shall only be collected and available to defray increases in the costs of the resources allocated for the

process for the review of animal drug applications (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2003 multiplied by the adjustment factor.

[(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of animal drug applications—

[(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

[(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

[(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

[(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fees under this section—

[(A) \$15,260,000 for fiscal year 2009;

[(B) \$17,280,000 for fiscal year 2010;

[(C) \$19,448,000 for fiscal year 2011;

[(D) \$21,768,000 for fiscal year 2012; and

[(E) \$24,244,000 for fiscal year 2013;

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

[(4) OFFSET.—If the sum of the cumulative amount of fees collected under this section for fiscal years 2009 through 2011 and the amount of fees estimated to be collected under this section for fiscal year 2012 exceeds the cumulative amount appropriated under paragraph (3) for the fiscal years 2009 through 2012, 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 2013.

[(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 31, United States Code.

[(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a

written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

[(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of animal drug applications, be reduced to offset the number of officers, employees, and advisory committees so engaged.

[(k) ABBREVIATED NEW ANIMAL DRUG APPLICATIONS.—The Secretary shall—

[(1) to the extent practicable, segregate the review of abbreviated new animal drug applications from the process for the review of animal drug applications, and

[(2) adopt other administrative procedures to ensure that review times of abbreviated new animal drug applications do not increase from their current level due to activities under the user fee program.

[SEC. 740A. REAUTHORIZATION; REPORTING REQUIREMENTS.

[(a) PERFORMANCE REPORT.—Beginning with fiscal year 2009, not later than 60 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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report concerning the progress of the Food and Drug Administration in achieving the goals identified in the letters described in section 101(b) of the Animal Drug User Fee Amendments of 2008 toward expediting the animal drug development process and the review of the new and supplemental animal drug applications and investigational animal drug submissions during such fiscal year, the future plans of the Food and Drug Administration for meeting the goals, the review times for abbreviated new animal drug applications, and the administrative procedures adopted by the Food and Drug Administration to ensure that review times for abbreviated new animal drug applications are not increased from their current level due to activities under the user fee program.

[(b) FISCAL REPORT.—Beginning with fiscal year 2009, 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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

[(c) PUBLIC AVAILABILITY.—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

[(d) REAUTHORIZATION.—

[(1) CONSULTATION.—In developing recommendations to present to the Congress with respect to the goals, and plans for meeting the goals, for the process for the review of animal drug applications for the first 5 fiscal years after fiscal year 2013, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

[(A) the Committee on Energy and Commerce of the House of Representatives;

[(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

[(C) scientific and academic experts;

[(D) veterinary professionals;

[(E) representatives of patient and consumer advocacy groups; and

[(F) the regulated industry.

[(2) PRIOR PUBLIC INPUT.—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

[(A) publish a notice in the Federal Register requesting public input on the reauthorization;

[(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

[(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

[(D) publish the comments on the Food and Drug Administration’s Internet Web site.

[(3) PERIODIC CONSULTATION.—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

[(4) PUBLIC REVIEW OF RECOMMENDATIONS.—After negotiations with the regulated industry, the Secretary shall—

[(A) present the recommendations developed under paragraph (1) to the Congressional committees specified in such paragraph;

[(B) publish such recommendations in the Federal Register;

[(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

[(D) hold a meeting at which the public may present its views on such recommendations; and

[(E) after consideration of such public views and comments, revise such recommendations as necessary.

[(5) TRANSMITTAL OF RECOMMENDATIONS.—Not later than January 15, 2013, the Secretary shall transmit to the 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 the Congress, the Secretary shall make publicly available, on the Internet Web site of the Food and Drug Administration, minutes of all negotiation meetings con-

ducted 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.]

SEC. 739. DEFINITIONS.

For purposes of this part:

(1) *The term “animal drug application” means an application for approval of any new animal drug submitted under section 512(b)(1). Such term does not include either a new animal drug application submitted under section 512(b)(2) or a supplemental animal drug application.*

(2) *The term “supplemental animal drug application” means—*

(A) a request to the Secretary to approve a change in an animal drug application which has been approved; or

(B) a request to the Secretary to approve a change to an application approved under section 512(c)(2) for which data with respect to safety or effectiveness are required.

(3) *The term “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 animal drug application or a supplemental animal 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 application 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, supplements, 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.*

(F) *Development of standards for products subject to review.*

(G) *Meetings between the agency and the animal drug sponsor.*

(H) *Review of advertising and labeling prior to approval of an animal drug application or supplemental animal drug application, but not after such application has been approved.*

(9) *The term “costs of resources allocated for the process for the review of animal drug applications” means the expenses in connection with the process for the review of animal drug applications for—*

(A) *officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific animal drug applications, supplemental animal drug applications, or investigational animal drug submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities;*

(B) *management of information and the acquisition, maintenance, and repair of computer resources;*

(C) *leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies; and*

(D) collecting fees under section 740 and accounting for resources allocated for the review of animal drug applications, supplemental animal drug applications, and investigational animal drug submissions.

(10) The term “adjustment factor” applicable to a fiscal year refers to the formula set forth in section 735(8) with the base or comparator month being October 2002.

(11) The term “person” includes an affiliate thereof.

(12) The term “affiliate” refers to the definition set forth in section 735(11).

SEC. 740. AUTHORITY TO ASSESS AND USE ANIMAL DRUG FEES.

(a) **TYPES OF FEES.**—Beginning in fiscal year 2004, the Secretary shall assess and collect fees in accordance with this section as follows:

(1) **ANIMAL DRUG APPLICATION AND SUPPLEMENT FEE.**—

(A) **IN GENERAL.**—Each person that submits, on or after September 1, 2003, an animal drug application or a supplemental animal drug application shall be subject to a fee as follows:

(i) A fee established in subsection (c) for an animal drug application, except an animal drug application described in section 512(d)(4).

(ii) A fee established in subsection (c), in an amount that is equal to 50 percent of the amount of the fee under clause (i), for—

(I) a supplemental animal drug application for which safety or effectiveness data are required; and

(II) an animal drug application described in section 512(d)(4).

(B) **PAYMENT.**—The fee required by subparagraph (A) shall be due upon submission of the animal drug application or supplemental animal drug application.

(C) **EXCEPTION FOR PREVIOUSLY FILED APPLICATION OR SUPPLEMENT.**—If an 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 REFUSED 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 of the fee paid under subparagraph (B) if no substantial work was performed on the application or supplement after the application or supplement was filed. The Secretary shall have the sole discretion to refund the fee under this

paragraph. A determination by the Secretary concerning a refund under this paragraph shall not be reviewable.

(2) ANIMAL DRUG PRODUCT FEE.—

(A) IN GENERAL.—Each person—

(i) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510; and

(ii) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application,

shall pay for each such animal drug product the annual fee established in subsection (c).

(B) PAYMENT; FEE DUE DATE.—Such fee shall be payable for the fiscal year in which the animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be due each subsequent fiscal year that the product remains listed, upon the later of—

(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

(ii) January 31 of each year.

(C) LIMITATION.—Such fee shall be paid only once for each animal drug product for a fiscal year in which the fee is payable.

(3) ANIMAL DRUG ESTABLISHMENT FEE.—

(A) IN GENERAL.—Each person—

(i) who owns or operates, directly or through an affiliate, an animal drug establishment;

(ii) who is named as the applicant in an animal drug application or supplemental animal drug application for an animal drug product which has been submitted for listing under section 510; and

(iii) who, after September 1, 2003, had pending before the Secretary an animal drug application or supplemental animal drug application,

shall be assessed an annual establishment fee as established in subsection (c) for each animal drug establishment listed in its approved animal drug application as an establishment that manufactures the animal drug product named in the application.

(B) PAYMENT; FEE DUE DATE.—The annual establishment fee shall be assessed in each fiscal year in which the animal drug product named in the application is assessed a fee under paragraph (2) unless the animal drug establishment listed in the application does not engage in the manufacture of the animal drug product during the fiscal year. The fee under this paragraph for a fiscal year shall be due upon the later of—

(i) the first business day after the date of enactment of an appropriations Act providing for the collection

and obligation of fees for such fiscal year under this section; or

(ii) January 31 of each year.

(C) *LIMITATION.*—

(i) *IN GENERAL.*—An establishment shall be assessed only one fee per fiscal year under this section, subject to clause (ii).

(ii) *CERTAIN MANUFACTURERS.*—If a single establishment manufactures both animal drug products and prescription drug products, as defined in section 735(3), such establishment shall be assessed both the animal drug establishment fee and the prescription drug establishment fee, as set forth in section 736(a)(2), within a single fiscal year.

(4) *ANIMAL DRUG SPONSOR FEE.*—

(A) *IN GENERAL.*—Each person—

(i) who meets the definition of an animal drug sponsor within a fiscal year; and

(ii) who, after September 1, 2003, had pending before the Secretary an animal drug application, a supplemental animal drug application, or an investigational animal drug submission,

shall be assessed an annual sponsor fee as established under subsection (c).

(B) *PAYMENT; FEE DUE DATE.*—The fee under this paragraph for a fiscal year shall be due upon the later of—

(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

(ii) January 31 of each year.

(C) *LIMITATION.*—Each animal drug sponsor shall pay only one such fee each fiscal year.

(b) *FEE REVENUE AMOUNTS.*—

(1) *IN GENERAL.*—Subject to subsections (c), (d), (f), and (g)—

(A) for fiscal year 2014, the fees required under subsection (a) shall be established to generate a total revenue amount of \$23,600,000; and

(B) for each of fiscal years 2015 through 2018, the fees required under subsection (a) shall be established to generate a total revenue amount of \$21,600,000.

(2) *TYPES OF FEES.*—Of the total revenue amount determined for a fiscal year under paragraph (1)—

(A) 20 percent shall be derived from fees under subsection (a)(1) (relating to animal drug applications and supplements);

(B) 27 percent shall be derived from fees under subsection (a)(2) (relating to animal drug products);

(C) 26 percent shall be derived from fees under subsection (a)(3) (relating to animal drug establishments); and

(D) 27 percent shall be derived from fees under subsection (a)(4) (relating to animal drug sponsors).

(c) *ANNUAL FEE SETTING; ADJUSTMENTS.*—

(1) *ANNUAL FEE SETTING.*—The Secretary shall establish, 60 days before the start of each fiscal year beginning after Sep-

tember 30, 2003, for that fiscal year, animal drug application fees, supplemental animal drug application fees, animal drug sponsor fees, animal drug establishment fees, and animal drug product fees based on the revenue amounts established under subsection (b) and the adjustments provided under this subsection.

(2) *INFLATION ADJUSTMENT.*—For fiscal year 2015 and subsequent fiscal years, the revenue 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;

(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 may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of animal drug applications.

(d) *FEE WAIVER OR REDUCTION.*—

(1) *IN GENERAL.*—The Secretary shall grant a waiver from or a reduction of one or more fees assessed under subsection (a) where the Secretary finds that—

(A) the assessment of the fee would present a significant barrier to innovation because of limited resources available to such person or other circumstances;

(B) the fees to be paid by such person will exceed the anticipated present and future costs incurred by the Secretary in conducting the process for the review of animal drug applications for such person;

(C) the animal drug application or supplemental animal drug application is intended solely to provide for use of the animal drug in—

(i) a Type B medicated feed (as defined in section 558.3(b)(3) of title 21, Code of Federal Regulations (or any successor regulation)) intended for use in the manufacture of Type C free-choice medicated feeds; or

(ii) a Type C free-choice medicated feed (as defined in section 558.3(b)(4) of title 21, Code of Federal Regulations (or any successor regulation));

(D) the animal drug application or supplemental animal drug application is intended solely to provide for a minor use or minor species indication; or

(E) the sponsor involved is a small business submitting its first animal drug application to the Secretary for review.

(2) *USE OF STANDARD COSTS.*—In making the finding in paragraph (1)(B), the Secretary may use standard costs.

(3) *RULES FOR SMALL BUSINESSES.*—

(A) *DEFINITION.*—In paragraph (1)(E), the term “small business” means an entity that has fewer than 500 employees, including employees of affiliates.

(B) *WAIVER OF APPLICATION FEE.*—The Secretary shall waive under paragraph (1)(E) the application fee for the first animal drug application that a small business or its affiliate submits to the Secretary for review. After a small

business or its affiliate is granted such a waiver, the small business or its affiliate shall pay application fees for all subsequent animal drug applications and supplemental animal drug applications for which safety or effectiveness data are required in the same manner as an entity that 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.*

(e) *EFFECT OF FAILURE TO PAY FEES.*—*An animal drug application or supplemental animal drug application submitted by a person subject to fees under subsection (a) 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 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 application, supplemental animal drug application, or investigational animal drug submission from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 2003 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 animal drug applications, supplemental animal drug applications, investigational animal drug submissions, animal drug sponsors, animal drug establishments, and animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.*

(g) *CREDITING AND AVAILABILITY OF FEES.*—

(1) *IN GENERAL.*—*Subject to paragraph (2)(C), fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for sal-*

ary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of animal drug applications.

(2) **COLLECTIONS AND APPROPRIATION ACTS.**—

(A) **IN GENERAL.**—The fees authorized by this section—

(i) subject to subparagraph (C), shall be collected and available in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year; and

(ii) shall be available to defray increases in the costs of the resources allocated for the process for the review of animal drug applications (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2003 multiplied by the adjustment factor.

(B) **COMPLIANCE.**—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of animal drug applications—

(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

(C) **PROVISION FOR EARLY PAYMENTS.**—Payment of fees authorized under this section for a fiscal year, prior to the due date for such fees, may be accepted by the Secretary in accordance with authority provided in advance in a prior year appropriations Act.

(3) **AUTHORIZATION OF APPROPRIATIONS.**—For each of the fiscal years 2014 through 2018, there is authorized to be appropriated for fees under this section an amount equal to the total revenue amount determined under subsection (b) for the fiscal year, as adjusted or otherwise affected under subsection (c) and paragraph (4).

(4) **OFFSET OF OVERCOLLECTIONS; RECOVERY OF COLLECTION SHORTFALLS.**—

(A) **OFFSET OF OVERCOLLECTIONS.**—If the sum of the cumulative amount of fees collected under this section for fiscal years 2014 through 2016 and the amount of fees estimated to be collected under this section for fiscal year 2017 (including any increased fee collections attributable to subparagraph (B)), exceeds the cumulative amount appropriated pursuant to 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.

(B) RECOVERY OF COLLECTION SHORTFALLS.—

(i) FISCAL YEAR 2016.—For fiscal year 2016, the amount of fees otherwise authorized 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 2014 falls below the amount of fees authorized for fiscal year 2014 under paragraph (3).

(ii) FISCAL YEAR 2017.—For fiscal year 2017, the amount of fees otherwise authorized 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 31, United States Code.

(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of animal drug applications, be reduced to offset the number of officers, employees, and advisory committees so engaged.

(k) ABBREVIATED NEW ANIMAL DRUG APPLICATIONS.—The Secretary shall—

(1) to the extent practicable, segregate the review of abbreviated new animal drug applications from the process for the review of animal drug applications; and

(2) adopt other administrative procedures to ensure that review times of abbreviated new animal drug applications do not

increase from their current level due to activities under the user fee program.

SEC. 740A. REAUTHORIZATION; REPORTING REQUIREMENTS.

(a) *PERFORMANCE REPORT.*—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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report concerning the progress of the Food and Drug Administration in achieving the goals identified in the letters described in section 101(b) of the Animal Drug User Fee Amendments of 2013 toward expediting the animal drug development process and the review of the new and supplemental animal drug applications and investigational animal drug submissions during such fiscal year, the future plans of the Food and Drug Administration for meeting the goals, the review times for abbreviated new animal drug applications, and the administrative procedures adopted by the Food and Drug Administration to ensure that review times for abbreviated new animal drug applications are not increased from their current level due to activities under the user fee program.

(b) *FISCAL REPORT.*—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 Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

(c) *PUBLIC AVAILABILITY.*—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

(d) *REAUTHORIZATION.*—

(1) *CONSULTATION.*—In developing recommendations to present to the Congress with respect to the goals, and plans for meeting the goals, for the process for the review of animal drug applications for the first 5 fiscal years after fiscal year 2018, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

(A) the Committee on Energy and Commerce of the House of Representatives;

(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

(C) scientific and academic experts;

(D) veterinary professionals;

(E) representatives of patient and consumer advocacy groups; and

(F) the regulated industry.

(2) *PRIOR PUBLIC INPUT.*—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

(A) publish a notice in the Federal Register requesting public input on the reauthorization;

(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

(D) publish the comments on the Food and Drug Administration's Internet Web site.

(3) *PERIODIC CONSULTATION.*—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

(4) *PUBLIC REVIEW OF RECOMMENDATIONS.*—After negotiations with the regulated industry, the Secretary shall—

(A) present the recommendations developed under paragraph (1) to the congressional committees specified in such paragraph;

(B) publish such recommendations in the Federal Register;

(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

(D) hold a meeting at which the public may present its views on such recommendations; and

(E) after consideration of such public views and comments, revise such recommendations 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 or differences of opinion during the negotiations and their resolution.

PART 5—FEES RELATING TO GENERIC NEW ANIMAL DRUGS

[SEC. 741. AUTHORITY TO ASSESS AND USE GENERIC NEW ANIMAL DRUG FEES.

[(a) TYPES OF FEES.—Beginning with respect to fiscal year 2009, the Secretary shall assess and collect fees in accordance with this section as follows:

[(1) ABBREVIATED APPLICATION FEE.—

[(A) IN GENERAL.—Each person that submits, on or after July 1, 2008, an abbreviated application for a generic new animal drug shall be subject to a fee as established in subsection (b) for such an application.

[(B) PAYMENT.—The fee required by subparagraph (A) shall be due upon submission of the abbreviated application.

[(C) EXCEPTION FOR PREVIOUSLY FILED APPLICATION.—If an abbreviated application was submitted by a person that paid the fee for such application, was accepted for filing, and was not approved or was withdrawn (without a waiver or refund), the submission of an abbreviated 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 REFUSED FOR FILING.—The Secretary shall refund 75 percent of the fee paid under subparagraph (B) for any abbreviated application which is refused for filing.

[(E) REFUND OF FEE IF APPLICATION WITHDRAWN.—If an abbreviated application is withdrawn after the application was filed, the Secretary may refund the fee or portion of the fee paid under subparagraph (B) if no substantial work was performed on the application after the application was filed. The Secretary shall have the sole discretion to refund the fee under this subparagraph. A determination by the Secretary concerning a refund under this subparagraph shall not be reviewable.

[(2) GENERIC NEW ANIMAL DRUG PRODUCT FEE.—Each person—

[(A) who is named as the applicant in an abbreviated application or supplemental abbreviated application for a generic new animal drug product which has been submitted for listing under section 510, and

[(B) who, after September 1, 2008, had pending before the Secretary an abbreviated application or supplemental abbreviated application, shall pay for each such generic new animal drug product the annual fee established in subsection (b). Such fee shall be payable for the fiscal year in which the generic new animal drug product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the generic new animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be payable on or before January 31 of each year. Such fee shall

be paid only once for each generic new animal drug product for a fiscal year in which the fee is payable.

[(3) GENERIC NEW ANIMAL DRUG SPONSOR FEE.—

[(A) IN GENERAL.—Each person—

[(i) who meets the definition of a generic new animal drug sponsor within a fiscal year, and

[(ii) who, after September 1, 2008, had pending before the Secretary an abbreviated application, a supplemental abbreviated application, or an investigational submission,

shall be assessed an annual fee established under subsection (b). The fee shall be paid on or before January 31 of each year.

[(B) AMOUNT OF FEE.—Each generic new animal drug sponsor shall pay only 1 such fee each fiscal year, as follows:

[(i) 100 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c)(3) for an applicant with more than 6 approved abbreviated applications.

[(ii) 75 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c)(3) for an applicant with more than 1 and fewer than 7 approved abbreviated applications.

[(iii) 50 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c)(3) for an applicant with 1 or fewer approved abbreviated applications.

[(b) FEE AMOUNTS.—Except as provided in subsection (a)(1) and subsections (c), (d), (f), and (g), the fees required under subsection (a) shall be established to generate fee revenue amounts as follows:

[(1) TOTAL FEE REVENUES FOR APPLICATION FEES.—The total fee revenues to be collected in abbreviated application fees under subsection (a)(1) shall be \$1,449,000 for fiscal year 2009, \$1,532,000 for fiscal year 2010, \$1,619,000 for fiscal year 2011, \$1,712,000 for fiscal year 2012, and \$1,809,000 for fiscal year 2013.

[(2) TOTAL FEE REVENUES FOR PRODUCT FEES.—The total fee revenues to be collected in generic new animal drug product fees under subsection (a)(2) shall be \$1,691,000 for fiscal year 2009, \$1,787,000 for fiscal year 2010, \$1,889,000 for fiscal year 2011, \$1,997,000 for fiscal year 2012, and \$2,111,000 for fiscal year 2013.

[(3) TOTAL FEE REVENUES FOR SPONSOR FEES.—The total fee revenues to be collected in generic new animal drug sponsor fees under subsection (a)(3) shall be \$1,691,000 for fiscal year 2009, \$1,787,000 for fiscal year 2010, \$1,889,000 for fiscal year 2011, \$1,997,000 for fiscal year 2012, and \$2,111,000 for fiscal year 2013.

[(c) ADJUSTMENTS.—

[(1) WORKLOAD ADJUSTMENT.—The fee revenues shall be adjusted each fiscal year after fiscal year 2009 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 applications 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).

[(2) FINAL YEAR ADJUSTMENT.—For fiscal year 2013, the Secretary may further increase the fees 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 2014. 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 contained in the annual notice setting fees for fiscal year 2013.

[(3) 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.

[(4) LIMIT.—The total amount of fees charged, as adjusted under this subsection, for a fiscal year may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of abbreviated applications for generic new animal drugs.

[(d) FEE WAIVER OR REDUCTION.—The Secretary shall grant a waiver from or a reduction of 1 or more fees assessed under subsection (a) where the Secretary finds that the generic new animal drug is intended solely to provide for a minor use or minor species indication.

[(e) EFFECT OF FAILURE TO PAY FEES.—An abbreviated application for a generic new animal drug submitted by a person subject to fees under subsection (a) 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 submission for a generic new animal drug 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 abbreviated application for a generic new animal drug, supplemental abbreviated application for a generic new animal drug, or investigational submission for a generic new animal drug

from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 sponsors, and generic new animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

[(g) CREDITING AND AVAILABILITY OF FEES.—

[(1) IN GENERAL.—Fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of abbreviated applications for generic new animal drugs.

[(2) COLLECTIONS AND APPROPRIATION ACTS.—

[(A) IN GENERAL.—The fees authorized by this section—

[(i) shall be retained in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year; and

[(ii) shall only be collected and available to defray increases in the costs of the resources allocated for the process for the review of abbreviated applications for generic new animal drugs (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2008 multiplied by the adjustment factor.

[(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allo-

cated for the process for the review of abbreviated applications for generic new animal drugs—

[(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

[(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

[(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

[(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fees under this section—

[(A) \$4,831,000 for fiscal year 2009;

[(B) \$5,106,000 for fiscal year 2010;

[(C) \$5,397,000 for fiscal year 2011;

[(D) \$5,706,000 for fiscal year 2012; and

[(E) \$6,031,000 for fiscal year 2013;

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 2009 through 2011 and the amount of fees estimated to be collected under this section for fiscal year 2012 exceeds the cumulative amount appropriated under paragraph (3) for the fiscal years 2009 through 2012, 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 2013.

[(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 31, United States Code.

[(i) WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

[(j) CONSTRUCTION.—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of abbreviated applications for generic new animal drugs, be reduced to offset the number of officers, employees, and advisory committees so engaged.

[(k) DEFINITIONS.—In this section and section 742:

[(1) ABBREVIATED APPLICATION FOR A GENERIC NEW ANIMAL DRUG.—The terms “abbreviated application for a generic new

animal drug” and “abbreviated application” mean an abbreviated application for the approval of any generic new animal drug submitted under section 512(b)(2). Such term does not include a supplemental abbreviated application for a generic new animal drug.

【(2) ADJUSTMENT FACTOR.—The term “adjustment factor” applicable to a fiscal year is the Consumer Price Index for all urban consumers (all items; United States city average) for October of the preceding fiscal year divided by—

【(A) for purposes of subsection (f)(1), such Index for October 2002; and

【(B) for purposes of subsection (g)(2)(A)(ii), such Index for October 2007.

【(3) COSTS OF RESOURCES ALLOCATED FOR THE PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.—The term “costs of resources allocated for the process for the review of abbreviated applications for generic new animal drugs” means the expenses incurred in connection with the process for the review of abbreviated applications for generic new animal drugs for—

【(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific abbreviated applications, supplemental abbreviated applications, or investigational submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities;

【(B) management of information, and the acquisition, maintenance, and repair of computer resources;

【(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies; and

【(D) collecting fees under this section and accounting for resources allocated for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

【(4) FINAL DOSAGE FORM.—The term “final dosage form” means, with respect to a generic new animal drug product, a finished dosage form which is approved for administration to an animal without substantial further manufacturing. Such term includes generic new animal drug products intended for mixing in animal feeds.

【(5) GENERIC NEW ANIMAL DRUG.—The term “generic new animal drug” means a new animal drug that is the subject of an abbreviated application.

【(6) GENERIC NEW ANIMAL DRUG PRODUCT.—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.—The terms “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 of an abbreviated application or a supplemental abbreviated application; or

[(B) the submission of information for the purpose of enabling the Secretary to evaluate the safety or effectiveness of a generic new animal drug in the event of the filing of an abbreviated application or supplemental abbreviated application for such drug.

[(9) PERSON.—The term “person” includes an affiliate thereof (as such term is defined in section 735(11)).

[(10) PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.—The term “process for the review of abbreviated applications for generic new animal drugs” means the following activities of the Secretary with respect to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions:

[(A) The activities necessary for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

[(B) The issuance of action letters which approve abbreviated applications or supplemental abbreviated applications or which set forth in detail the specific deficiencies in abbreviated applications, supplemental abbreviated applications, or investigational submissions and, where appropriate, the actions necessary to place such applications, supplemental applications, or submissions in condition for approval.

[(C) The inspection of generic new animal drug establishments and other facilities undertaken as part of the Secretary’s review of pending abbreviated applications, supplemental abbreviated applications, and investigational submissions.

[(D) Monitoring of research conducted in connection with the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

[(E) The development of regulations and policy related to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

[(F) Development of standards for products subject to review.

[(G) Meetings between the agency and the generic new animal drug sponsor.

[(H) Review of advertising and labeling prior to approval of an abbreviated application or supplemental abbreviated application, but not after such application has been approved.

[(11) SUPPLEMENTAL ABBREVIATED APPLICATION FOR GENERIC NEW ANIMAL DRUG.—The terms “supplemental abbreviated application for a generic new animal drug” and “supplemental abbreviated application” mean a request to the Secretary to approve a change in an approved abbreviated application.

[SEC. 742. REAUTHORIZATION; REPORTING REQUIREMENTS.

[(a) PERFORMANCE REPORTS.—Beginning with fiscal year 2009, not later than 60 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 Food and Drug Administration in achieving the goals identified in the letters described in section 201(3) of the Animal Generic Drug User Fee Act of 2008 toward expediting the generic new animal drug development process and the review of abbreviated applications for generic new animal drugs, supplemental abbreviated applications for generic new animal drugs, and investigational submissions for generic new animal drugs during such fiscal year.

[(b) FISCAL REPORT.—Beginning with fiscal year 2009, 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 Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

[(c) PUBLIC AVAILABILITY.—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

[(d) REAUTHORIZATION.—

[(1) CONSULTATION.—In developing recommendations to present to Congress with respect to the goals, and plans for meeting the goals, for the process for the review of abbreviated applications for generic new animal drugs for the first 5 fiscal years after fiscal year 2013, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

[(A) the Committee on Energy and Commerce of the House of Representatives;

[(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

[(C) scientific and academic experts;

[(D) veterinary professionals;

[(E) representatives of patient and consumer advocacy groups; and

[(F) the regulated industry.

[(2) PRIOR PUBLIC INPUT.—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

[(A) publish a notice in the Federal Register requesting public input on the reauthorization;

[(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

[(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

[(D) publish the comments on the Food and Drug Administration's Internet Web site.

[(3) PERIODIC CONSULTATION.—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

[(4) PUBLIC REVIEW OF RECOMMENDATIONS.—After negotiations with the regulated industry, the Secretary shall—

[(A) present the recommendations developed under paragraph (1) to the congressional committees specified in such paragraph;

[(B) publish such recommendations in the Federal Register;

[(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

[(D) hold a meeting at which the public may present its views on such recommendations; and

[(E) after consideration of such public views and comments, revise such recommendations as necessary.

[(5) TRANSMITTAL OF RECOMMENDATIONS.—Not later than January 15, 2013, 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 or differences of opinion during the negotiations and their resolution.]

SEC. 741. AUTHORITY TO ASSESS AND USE GENERIC NEW ANIMAL DRUG FEES.

(a) **TYPES OF FEES.**—Beginning with respect to fiscal year 2009, the Secretary shall assess and collect fees in accordance with this section as follows:

(1) **ABBREVIATED APPLICATION FEE.**—

(A) **IN GENERAL.**—Each person that submits, on or after July 1, 2008, an abbreviated application for a generic new animal drug shall be subject to a fee as established in subsection (c) for such an application.

(B) **PAYMENT.**—The fee required by subparagraph (A) shall be due upon submission of the abbreviated application.

(C) **EXCEPTIONS.**—

(i) **PREVIOUSLY FILED APPLICATION.**—If an abbreviated application was submitted by a person that paid the fee for such application, was accepted for filing, and was not approved or was withdrawn (without a waiver or refund), the submission of an abbreviated 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).

(ii) **CERTAIN ABBREVIATED APPLICATIONS INVOLVING COMBINATION ANIMAL DRUGS.**—An abbreviated application for an animal drug described in section 512(d)(4) and submitted on or after October 1, 2013, shall be subject to a fee equal to 50 percent of the amount of the abbreviated application fee established in subsection (c).

(D) **REFUND OF FEE IF APPLICATION REFUSED FOR FILING.**—The Secretary shall refund 75 percent of the fee paid under subparagraph (B) for any abbreviated application which is refused for filing.

(E) **REFUND OF FEE IF APPLICATION WITHDRAWN.**—If an abbreviated application is withdrawn after the application was filed, the Secretary may refund the fee or portion of the fee paid under subparagraph (B) if no substantial work was performed on the application after the application was filed. The Secretary shall have the sole discretion to refund the fee under this subparagraph. A determination by the Secretary concerning a refund under this subparagraph shall not be reviewable.

(2) **GENERIC NEW ANIMAL DRUG PRODUCT FEE.**—

(A) **IN GENERAL.**—Each person—

(i) who is named as the applicant in an abbreviated application or supplemental abbreviated application for a generic new animal drug product which has been submitted for listing under section 510; and

(ii) who, after September 1, 2008, had pending before the Secretary an abbreviated application or supplemental abbreviated application,

shall pay for each such generic new animal drug product the annual fee established in subsection (c).

(B) **PAYMENT; FEE DUE DATE.**—Such fee shall be payable for the fiscal year in which the generic new animal drug

product is first submitted for listing under section 510, or is submitted for relisting under section 510 if the generic new animal drug product has been withdrawn from listing and relisted. After such fee is paid for that fiscal year, such fee shall be due each subsequent fiscal year that the product remains listed, upon the later of—

(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

(ii) January 31 of each year.

(C) *LIMITATION.*—Such fee shall be paid only once for each generic new animal drug product for a fiscal year in which the fee is payable.

(3) *GENERIC NEW ANIMAL DRUG SPONSOR FEE.*—

(A) *IN GENERAL.*—Each person—

(i) who meets the definition of a generic new animal drug sponsor within a fiscal year; and

(ii) who, after September 1, 2008, had pending before the Secretary an abbreviated application, a supplemental abbreviated application, or an investigational submission,

shall be assessed an annual generic new animal drug sponsor fee as established under subsection (c).

(B) *PAYMENT; FEE DUE DATE.*—Such fee shall be due each fiscal year upon the later of—

(i) the first business day after the date of enactment of an appropriations Act providing for the collection and obligation of fees for such fiscal year under this section; or

(ii) January 31 of each year.

(C) *AMOUNT OF FEE.*—Each generic new animal drug sponsor shall pay only 1 such fee each fiscal year, as follows:

(i) 100 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with more than 6 approved abbreviated applications.

(ii) 75 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with more than 1 and fewer than 7 approved abbreviated applications.

(iii) 50 percent of the amount of the generic new animal drug sponsor fee published for that fiscal year under subsection (c) for an applicant with 1 or fewer approved abbreviated applications.

(b) *FEE AMOUNTS.*—Subject to subsections (c), (d), (f), and (g), the fees required under subsection (a) shall be established to generate fee revenue amounts as follows:

(1) *TOTAL FEE REVENUES FOR APPLICATION FEES.*—The total fee revenues to be collected in abbreviated application fees under subsection (a)(1) shall be \$1,832,000 for fiscal year 2014, \$1,736,000 for fiscal year 2015, \$1,857,000 for fiscal year 2016, \$1,984,000 for fiscal year 2017, and \$2,117,000 for fiscal year 2018.

(2) *TOTAL FEE REVENUES FOR PRODUCT FEES.*—The total fee revenues to be collected in generic new animal drug product fees under subsection (a)(2) shall be \$2,748,000 for fiscal year 2014, \$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal year 2016, \$2,976,000 for fiscal year 2017, and \$3,175,000 for fiscal year 2018.

(3) *TOTAL FEE REVENUES FOR SPONSOR FEES.*—The total fee revenues to be collected in generic new animal drug sponsor fees under subsection (a)(3) shall be \$2,748,000 for fiscal year 2014, \$2,604,000 for fiscal year 2015, \$2,786,000 for fiscal year 2016, \$2,976,000 for fiscal year 2017, and \$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 applications 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 contained in the annual notice setting fees for fiscal year 2018.

(4) *LIMIT.*—The total amount of fees charged, as adjusted under this subsection, for a fiscal year may not exceed the total costs for such fiscal year for the resources allocated for the process for the review of abbreviated applications for generic new animal drugs.

(d) *FEE WAIVER OR REDUCTION.*—The Secretary shall grant a waiver from or a reduction of 1 or more fees assessed under subsection (a) where the Secretary finds that the generic new animal drug is intended solely to provide for a minor use or minor species indication.

(e) *EFFECT OF FAILURE TO PAY FEES.*—An abbreviated application for a generic new animal drug submitted by a person subject to fees under subsection (a) 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 submission for a generic new animal drug 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 abbreviated application for a generic new animal drug, supplemental abbreviated application for a generic new animal drug, or investigational submission for a generic new animal drug from a person if such person has not submitted for payment all fees owed under this section by 30 days after the date upon which 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 sponsors, and generic new animal drug products at any time in such fiscal year notwithstanding the provisions of subsection (a) relating to the date fees are to be paid.

(g) *CREDITING AND AVAILABILITY OF FEES.*—

(1) *IN GENERAL.*—Subject to paragraph (2)(C), fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to be appropriated to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salary and expenses with such fiscal year limitation. The sums transferred shall be available solely for the process for the review of abbreviated applications for generic new animal drugs.

(2) *COLLECTIONS AND APPROPRIATION ACTS.*—

(A) *IN GENERAL.*—The fees authorized by this section—

(i) subject to subparagraph (C), shall be collected and available in each fiscal year in an amount not to exceed the amount specified in appropriation Acts, or otherwise made available for obligation for such fiscal year; and

(ii) shall be available to defray increases in the costs of the resources allocated for the process for the review of abbreviated applications for generic new animal drugs (including increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in such process) over such costs, excluding costs paid from fees collected under this section, for fiscal year 2008 multiplied by the adjustment factor.

(B) COMPLIANCE.—The Secretary shall be considered to have met the requirements of subparagraph (A)(ii) in any fiscal year if the costs funded by appropriations and allocated for the process for the review of abbreviated applications for generic new animal drugs—

(i) are not more than 3 percent below the level specified in subparagraph (A)(ii); or

(ii)(I) are more than 3 percent below the level specified in subparagraph (A)(ii), and fees assessed for the fiscal year following the subsequent fiscal year are decreased by the amount in excess of 3 percent by which such costs fell below the level specified in subparagraph (A)(ii); and

(II) such costs are not more than 5 percent below the level specified in subparagraph (A)(ii).

(C) PROVISION FOR EARLY PAYMENTS.—Payment of fees authorized under this section for a fiscal year, prior to the due date for such fees, may be accepted by the Secretary in accordance with authority provided in advance in a prior year appropriations Act.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fees under this section—

(A) \$7,328,000 for fiscal year 2014;

(B) \$6,944,000 for fiscal year 2015;

(C) \$7,429,000 for fiscal year 2016;

(D) \$7,936,000 for fiscal year 2017; and

(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 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 31, United States Code.

(i) *WRITTEN REQUESTS FOR WAIVERS, REDUCTIONS, AND REFUNDS.*—To qualify for consideration for a waiver or reduction under subsection (d), or for a refund of any fee collected in accordance with subsection (a), a person shall submit to the Secretary a written request for such waiver, reduction, or refund not later than 180 days after such fee is due.

(j) *CONSTRUCTION.*—This section may not be construed to require that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in the process of the review of abbreviated applications for generic new animal drugs, be reduced to offset the number of officers, employees, and advisory committees so engaged.

(k) *DEFINITIONS.*—In this section and section 742:

(1) *ABBREVIATED APPLICATION FOR A GENERIC NEW ANIMAL DRUG.*—The terms “abbreviated application for a generic new animal drug” and “abbreviated application” mean an abbreviated application for the approval of any generic new animal drug submitted under section 512(b)(2). Such term does not include a supplemental abbreviated application for a generic new animal drug.

(2) *ADJUSTMENT FACTOR.*—The term “adjustment factor” applicable to a fiscal year is the Consumer Price Index for all urban consumers (all items; United States city average) for October of the preceding fiscal year divided by—

(A) for purposes of subsection (f)(1), such Index for October 2002; and

(B) for purposes of subsection (g)(2)(A)(ii), such Index for October 2007.

(3) *COSTS OF RESOURCES ALLOCATED FOR THE PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.*—The term “costs of resources allocated for the process for the review of abbreviated applications for generic new animal drugs” means the expenses in connection with the process for the review of abbreviated applications for generic new animal drugs for—

(A) officers and employees of the Food and Drug Administration, contractors of the Food and Drug Administration, advisory committees consulted with respect to the review of specific abbreviated applications, supplemental abbreviated applications, or investigational submissions, and costs related to such officers, employees, committees, and contractors, including costs for travel, education, and recruitment and other personnel activities;

(B) management of information, and the acquisition, maintenance, and repair of computer resources;

(C) leasing, maintenance, renovation, and repair of facilities and acquisition, maintenance, and repair of fixtures, furniture, scientific equipment, and other necessary materials and supplies; and

(D) collecting fees under this section and accounting for resources allocated for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

(4) **FINAL DOSAGE FORM.**—The term “final dosage form” means, with respect to a generic new animal drug product, a finished dosage form which is approved for administration to an animal without substantial further manufacturing. Such term includes generic new animal drug products intended for mixing in animal feeds.

(5) **GENERIC NEW ANIMAL DRUG.**—The term “generic new animal drug” means a new animal drug that is the subject of an abbreviated application.

(6) **GENERIC NEW ANIMAL DRUG PRODUCT.**—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.**—The terms “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 of an abbreviated application or a supplemental abbreviated application; or

(B) the submission of information for the purpose of enabling the Secretary to evaluate the safety or effectiveness of a generic new animal drug in the event of the filing of an abbreviated application or supplemental abbreviated application for such drug.

(9) **PERSON.**—The term “person” includes an affiliate thereof (as such term is defined in section 735(11)).

(10) **PROCESS FOR THE REVIEW OF ABBREVIATED APPLICATIONS FOR GENERIC NEW ANIMAL DRUGS.**—The term “process for the review of abbreviated applications for generic new animal drugs” means the following activities of the Secretary with respect to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions:

(A) The activities necessary for the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

(B) The issuance of action letters which approve abbreviated applications or supplemental abbreviated applications or which set forth in detail the specific deficiencies in

abbreviated applications, supplemental abbreviated applications, or investigational submissions and, where appropriate, the actions necessary to place such applications, supplemental applications, or submissions in condition for approval.

(C) The inspection of generic new animal drug establishments and other facilities undertaken as part of the Secretary's review of pending abbreviated applications, supplemental abbreviated applications, and investigational submissions.

(D) Monitoring of research conducted in connection with the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

(E) The development of regulations and policy related to the review of abbreviated applications, supplemental abbreviated applications, and investigational submissions.

(F) Development of standards for products subject to review.

(G) Meetings between the agency and the generic new animal drug sponsor.

(H) Review of advertising and labeling prior to approval of an abbreviated application or supplemental abbreviated application, but not after such application has been approved.

(11) **SUPPLEMENTAL ABBREVIATED APPLICATION FOR GENERIC NEW ANIMAL DRUG.**—The terms “supplemental abbreviated application for a generic new animal drug” and “supplemental abbreviated application” mean a request to the Secretary to approve a change in an approved abbreviated application.

SEC. 742. REAUTHORIZATION; REPORTING REQUIREMENTS.

(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 Food and Drug Administration in achieving the goals identified in the letters described in section 201(b) of the Animal Generic Drug User Fee Amendments of 2013 toward expediting the generic new animal drug development process and the review of abbreviated applications for generic new animal drugs, supplemental abbreviated applications for generic new animal drugs, and investigational submissions for generic new animal drugs during such fiscal year.

(b) **FISCAL REPORT.**—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 on the implementation of the authority for such fees during such fiscal year and the use, by the Food and Drug Administration, of the fees collected during such fiscal year for which the report is made.

(c) *PUBLIC AVAILABILITY.*—The Secretary shall make the reports required under subsections (a) and (b) available to the public on the Internet Web site of the Food and Drug Administration.

(d) *REAUTHORIZATION.*—

(1) *CONSULTATION.*—In developing recommendations to present to Congress with respect to the goals, and plans for meeting the goals, for the process for the review of abbreviated applications for generic new animal drugs for the first 5 fiscal years after fiscal year 2018, and for the reauthorization of this part for such fiscal years, the Secretary shall consult with—

(A) the Committee on Energy and Commerce of the House of Representatives;

(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

(C) scientific and academic experts;

(D) veterinary professionals;

(E) representatives of patient and consumer advocacy groups; and

(F) the regulated industry.

(2) *PRIOR PUBLIC INPUT.*—Prior to beginning negotiations with the regulated industry on the reauthorization of this part, the Secretary shall—

(A) publish a notice in the Federal Register requesting public input on the reauthorization;

(B) hold a public meeting at which the public may present its views on the reauthorization, including specific suggestions for changes to the goals referred to in subsection (a);

(C) provide a period of 30 days after the public meeting to obtain written comments from the public suggesting changes to this part; and

(D) publish the comments on the Food and Drug Administration's Internet Web site.

(3) *PERIODIC CONSULTATION.*—Not less frequently than once every 4 months during negotiations with the regulated industry, the Secretary shall hold discussions with representatives of veterinary, patient, and consumer advocacy groups to continue discussions of their views on the reauthorization and their suggestions for changes to this part as expressed under paragraph (2).

(4) *PUBLIC REVIEW OF RECOMMENDATIONS.*—After negotiations with the regulated industry, the Secretary shall—

(A) present the recommendations developed under paragraph (1) to the congressional committees specified in such paragraph;

(B) publish such recommendations in the Federal Register;

(C) provide for a period of 30 days for the public to provide written comments on such recommendations;

(D) hold a meeting at which the public may present its views on such recommendations; and

(E) after consideration of such public views and comments, revise such recommendations 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 or differences of opinion during the negotiations and their resolution.

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SECTION 1. TABLE OF CONTENTS

The table of contents of this Act is as follows:

Sec. 1. Table of contents.
Sec. 2. References in Act.

TITLE I—ANIMAL DRUG USER FEE AMENDMENTS

Sec. 101. Short title; finding.

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[Sec. 108. Sunset dates.]

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[Sec. 204. Sunset dates.]

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**TITLE I—ANIMAL DRUG USER FEE
AMENDMENTS**

SEC. 101. SHORT TITLE; FINDING

(a) **SHORT TITLE.**—This title may be cited as the “Animal Drug User Fee Amendments of 2008”.

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[SEC. 108. SUNSET DATES.]

[(a) **AUTHORIZATION.**—The amendments made by sections 102 and 103 cease to be effective October 1, 2013.

[(b) **REPORTING REQUIREMENTS.**—The amendment made by section 104 ceases to be effective January 31, 2014.]]

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TITLE II—ANIMAL GENERIC DRUG USER FEE

SEC. 201. SHORT TITLE; FINDINGS

(a) SHORT TITLE.—This title may be cited as the “Animal Generic Drug User Fee Act of 2008”.

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[SEC. 204. SUNSET DATES

[(a) AUTHORIZATION.—The amendments made by section 202 shall cease to be effective October 1, 2013.

[(b) REPORTING REQUIREMENTS.—The amendment made by section 203 shall cease to be effective January 31, 2014.]

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SECTION 5 OF THE ANIMAL DRUG USER FEE ACT OF 2003

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[SEC. 5. SUNSET.

[The amendments made by section 3 shall not be in effect after October 1, 2008, and section 4 shall not be in effect after 120 days after such date.]