



**Moving to Competitive
Veterinary Pharmaceutical Regulatory Programs in Canada**

**Recommendations Further to the Canadian Animal Health Institute –
International Federation of Animal Health Survey**

“Benchmarking the Competitiveness of the Canadian Animal Health Industry”

May 2007

Moving to Competitive Veterinary Pharmaceutical Regulatory Programs in Canada

1. Canadian Veterinary Pharmaceutical Regulatory Programs - Barriers to Competitiveness

Canadian Veterinary Pharmaceutical Regulatory Programs need to be competitive globally if they are to meet the needs of agriculture, animal owners, food safety, animal welfare and our economy.

Currently the Programs lag behind other developed countries of the world and are considered unpredictable.

Veterinary pharmaceutical companies depend on the services of Health Canada's Veterinary Drugs Directorate (VDD) and the Canadian Food Inspection Agency's Veterinary Biologics Section (VBS). These organizations are competitive barriers to producers and the animal health industry in the global marketplace. Further, the industry faces other uniquely Canadian, noncompetitive federal drug policies such as those that allow importation of non-approved products for "own-use" and the importation of Active Pharmaceutical Ingredients (API's) which can be compounded to compete directly with licensed product. These situations negatively impact investment in Canada and the availability of licensed product; and are contrary to Bill C-212 "An Act Respecting User-Fees".

Many products already approved in other G8 nations are eventually approved in Canada, after lengthy delays. There is no health or safety issue, and raises the question, what is the value added from the review process.

The medicines under review come into the Canadian consumer food chain through imported foods without any barrier. The review process cannot be said to be protecting consumers from these products.

2. Canadian Government Supports Competitive Regulatory Programs

On April 1st, 2007 the federal government issued a Cabinet Directive on Streamlining Regulation that focuses on Canada having performance based regulation. This is in line with the Security and Prosperity Partnership agreement which Canada, the U.S. and Mexico became signatory to in 2005. The agreement provides a framework that enables greater North American collaboration in areas as diverse as security, transportation and public health. Further, the Canadian government is in support of 'Smart Regulation' that supports regulatory regimes that encourage investment in Canada while maintaining public health. Currently regulators are not compliant with either policy.

3. Goal of CAHI - Recommendations for Change

To steer change in the veterinary pharmaceutical review processes and to improve outcomes in light of our noncompetitive regulatory programs, a new approach whereby, review processes and service are proportional to the known science-based risk of a product should be implemented.

The points on the following pages outline Canadian Animal Health Institute (CAHI) recommendations for new approaches in moving toward competitive veterinary pharmaceutical regulatory review programs.

Goal

To have Canadian veterinary pharmaceutical regulatory programs that ensure producers and veterinarians access to veterinary drugs and biologics no later than 6 months after approval in the U.S. This would ensure the competitiveness of our food animal producers and veterinary access to safer more targeted medicines. This would also ensure continued investment in new innovations for the Canadian veterinary pharmaceutical marketplace.

4. Removing Backlogs - The First Step in Enabling Change Leading to Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

Backlog:

Avoiding backlogs is a critical component of a competitive review process. It is imperative that the VDD backlog be eliminated. The backlog at VDD has existed for over 15 years. It limits the Directorate's ability to be progressive in developing review processes e.g. joint reviews, and the recognition of work of other countries that would enhance its ability to be competitive on a global basis.

Recommendation: *VDD focus its efforts such that the backlog is eliminated by the end of 2008.*

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

i. Phased Review of Submission Components:

For Canada to be aligned with its major trading partner, the U.S., and have timely availability of animal health management tools, it is critical that (FDA) dossier components be implemented. Further, it would be advisable that VDD conduct phased reviews even if an approved Center for Veterinary Medicine (CVM) submission was not available. We propose Canadian product sponsors would submit approved components of submissions immediately after having been reviewed and approved by CVM or after having prepared a New Drug Submission (NDS) component, i.e.:

- clinical efficacy and target animal safety
- chemistry and manufacturing
- pharmacology & laboratory animal toxicology
- environmental assessment.

Sponsor identified phased submissions would be required to meet performance standards only for the component submitted.

Recommendation: *By January 2009 VDD implement a process that enables the phased review of submission components for clinical efficacy and target animal safety, chemistry and manufacturing, pharmacology, laboratory animal toxicology and environmental assessment.*

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

ii. Streamlined Review of Companion Animal Submissions:

Canada needs to streamline the review of companion animal submissions licensed in either the E.U. or the U.S. Companion animal products are of lower public health risk, do not enter the food chain, are administered under veterinary supervision and most have undergone a risk assessment in another developed country where pharmacovigilance data exists. There is no difference between a Canadian dog and a U.S. dog.

Health Canada's Rainnie Report¹ found that the Canadian review process for animal drugs was comparable to that of the U.S. other than the Canadian reviews were slower and less consistent. Similar safety decisions were made relative to the products.

The time spent reviewing already approved submissions is a duplication of effort, and a questionable use of limited resources. We recommend as an alternative, that VDD review the Canadian label against the Freedom of Information (FOI – U.S.) report or the European Public Access Report (EPAR - E.U.). Product sponsors would be required to submit a full data package and the Canadian sponsor would be required to meet all post marketing requirements. A full review by VDD would only be triggered by the provision of a science-based rationale. This would be a clear indication of progressive actions by the VDD and would encourage investment in Canada and the timely availability of new products.

Recommendation: *The VDD initiate a streamlined review process for companion animal products in 2008.*

¹ A Comparison of the Regulatory Requirements and Processes of the Center for Veterinary Medicine and the Veterinary Drugs Directorate as Applied to Veterinary Drugs for Use in Companion Animals, Author: D.J. Rainnie, AVC Inc., 550 University Ave, Charlottetown, PEI. November 2002

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

iii. Harmonized Chemistry and Manufacturing Requirements:

Manufacturing of animal medications is generally centralized with one manufacturing site supplying the global market. Establishment of Memorandums of Understanding (MOU's) with the E.U. and U.S. regulators would eliminate the need for duplication of the work done in the E.U. and U.S. It would also reinforce the current Canadian infrastructure in place for production of animal medications and bring about efficiencies in the review process. Harmonization of chemistry and manufacturing would not compromise safety or efficacy and would streamline this component of the review process.

Recommendation: *Within 2 years VDD establish MOU's with the U.S. and E.U. that recognizes the review of chemistry and manufacturing components of submissions in those regions by the VDD, which should then result in a streamlined review for that submission component.*

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

iv. Separate Review Stream for Generics:

There needs to be a separate review stream for generic products with consideration of the U.S. and Australian review requirements and processes.

Recommendation: *Within 1 year VDD develop a separate review stream for generics and have technical requirements that are harmonized with the U.S. and Australia.*

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

v. Scientific Competence:

Regulatory science requires reviewers to have technical experience and an understanding of product use so that they are able to interpret data in light of current scientific knowledge and its practical application in the field. Agriculture and veterinary practices are evolving at such a pace that normal industry practices in 2007 could be antiquated within a few years. As such, industry, the veterinary profession and producer groups would contribute to the content of reviewer Continuing Education (CE) and facilitate such programs based on needs identified internally within the VDD.

Recommendation:

- *Reviewer capacity within VDD needs to be strengthened to optimize the review process.*
- *Reviewers need to have practical experience and subscribe to continuing education programs on an on-going basis. Industry would work with the Director General to facilitate useful CE.*
- *Further, reviewers must provide a scientific rationale for submission comments.*

5. CAHI Recommended Courses of Action to Ensure Continued Regulatory Competitiveness

VETERINARY DRUGS DIRECTORATE REVIEW PROCESS

vi. Use of Drugs Not Licensed for Use in Canada

The survey that was done to benchmark the competitiveness of the Canadian veterinary pharmaceutical review processes estimated the unlicensed drug market to be approximately 20% of the total Canadian animal health market. Use of unlicensed drugs through own-use importation and use of bulk chemicals does not provide Canadians with the proper regulatory controls they expect nor does it meet international standards for safety, thereby presenting a potential concern to our trading partners.

- It is inconsistent for regulatory authorities to hold ethical animal health companies to stringent standards while no standards are applied to non-approved imports for own-use and API's. None of these imported products or bulk chemicals have been subjected to a risk assessment for the Canadian market, nor is there a system in place for traceability.
- A situation can be foreseen whereby use of non-approved products could trigger non-tariff trade action with access to foreign markets being blocked as a result of this practice.
- As retailers and processors implement mandatory traceability of their supply chain inputs, they have also begun to develop individualized standards through Quality Assurance Programs. Use of API's and non-approved products will not meet these standards while compromising producer Quality Assurance Programs.

Recommendation: *Health Canada harmonize by 2009 its regulatory and enforcement approach in regards to the importation and use of unlicensed products with that of other developed countries. Importation and use of unlicensed (non-DIN) drugs should be prohibited and the importation of bulk chemical or Active Pharmaceutical Ingredients limited to holders of Establishment Licenses.*

6. Removing Backlogs - The First Step in Enabling Change Leading to Competitiveness

VETERINARY BIOLOGICS SECTION (VBS) REVIEW PROCESS

Backlog:

The VBS backlog is estimated to be one year; meaning it takes one year from time of submission for the review to be initiated. This delay is compounded by the fact that VBS generally reviews submissions that have been licensed by the USDA. Consequently, new animal biologics are generally available in Canada an estimated one to two years after they are licensed for sale in the U.S.

Recommendation: *The VBS backlog be eliminated by the end of calendar year 2007.*

7. CAHI Recommended Course of Action to Ensure Regulatory Competitiveness

VETERINARY BIOLOGICS SECTION (VBS) REVIEW PROCESS

i. Phased Review of Submissions:

A phased approach to the review process would be a mechanism to facilitate more timely availability of new biologics in Canada.

Recommendation: *The following phased review process be initiated in 2008 for new veterinary biologics that have been submitted for USDA assessment.*

| Phase | Canadian Phased Submission | Timing of submission |
|-------|--|--|
| 1 | Field Safety Protocol approved by USDA + any other available documents. e.g. Master Seed, Potency, OP, Draft labeling, Immunogenicity, PLS Results | When Field Safety Trial starts in USA (8-9 months pre USDA Licensure) |
| 2 | USDA approved Field Safety Report + Final OP; Final labeling; USDA License | USDA License issued |
| 3 | PLS released by USDA | PLS released by USDA |

7. CAHI Recommended Courses of Action to Ensure Regulatory Competitiveness

VETERINARY BIOLOGICS SECTION (VBS) REVIEW PROCESS

ii. Streamlined Review Process for Licensed Antigens and Adjuvants:

The review process needs to be streamlined for aspects of products that are already licensed to ensure more timely availability of new product submissions in Canada.

Recommendation: *By 2008 the VBS pre-market review process be streamlined for antigens and adjuvants that are already licensed as well as those which are components of new product submissions.*

7. CAHI Recommended Courses of Action to Ensure Regulatory Competitiveness

VETERINARY BIOLOGICS SECTION (VBS) REVIEW PROCESS

iii. Scientific Competence:

Regulatory science requires reviewers to have technical experience and an understanding of product use so that they are able to interpret data in light of current scientific knowledge and its application in the field. Agriculture and veterinary medicine are evolving at such a pace that normal industry practices in 2007 could be antiquated within a few years. As such, industry, the veterinary profession and producer groups would contribute to the content of Continuing Education (CE) and facilitate such programs based on needs identified internally within the VBS.

Recommendation:

- *Reviewer capacity within VBS needs to be strengthened so that the review process is current.*
- *Reviewers need to have practical experience and subscribe to continuing education programs on an ongoing basis. Industry would work with the Program Manager to facilitate useful CE.*

8. CAHI Recommended Course of Action to Ensure Regulatory Competitiveness

VETERINARY DRUG & BIOLOGICS REVIEW PROCESS

i. Need for Consultation and Oversight: VDD and VBS Economic Management Advisory Committee

Recommendation: *By September 2007 both the Director General of VDD and the National Manager of VBS should implement Economic Management Advisory Committee(s), mandated to discuss specific ways to improve the efficiency and effectiveness of the review processes without compromising safety or environmental protection while maintaining industry competitiveness.*