FDA restructures new product review centers

In a move that took the biotech and pharmaceutical industries by surprise, the US Food and Drug Administration (FDA; Rockville, MD) announced on September 6 that it will consolidate its two product review centers in an effort to speed up and harmonize the drug review and development process. Under the restructuring, the Center for Drug Evaluation and Research (CDER; Rockville, MD) will have sole authority over all new pharmaceutical products—including peptide therapeutics, responsibility for which is currently shared between the CDER and the Center for Biologics Evaluation and Research (CBER; Bethesda, MD). The CBER will continue to oversee approvals of tissue and blood products, cell and gene therapies, and vaccines. Although industry welcomes efforts to expedite reviews in a more consistent manner, the logistics of this formidable task have yet to be determined, and there are concerns that consolidation will lead to a less stringent approval process for generic versions of biologics.

The CDER is much larger and handles many more reviews than the CBER: the CDER has 1,861 staff members and received 238 applications in 2000, compared to 986 staff members and only 84 applications at the CBER. Although industry has been highly critical of the increasing review times for new products at both agencies (*Nat. Biotechnol.* **20**, 109, 2002), the CBER is perceived to be much slower and less consistent. Indeed, the CDER approves many more products upon first review than does the CBER (over the past three years the CDER has completed about half of its applications in a single review cycle, whereas the CBER completed only one). Although biologics are generally more complex than small-molecule drugs, some critics argue that CBER reviewers are inconsistent and point out that the CDER has been handling crossover biotech drugs more expeditiously. Regardless of the reason for slower review times at the CBER, the FDA is hoping that consolidating the regulation of biologic therapies under the CDER will make the process more efficient.

However, several observers are skeptical that consolidation is the answer. Peter Barton Hutt, an attorney at Covington & Burling (Washington, DC) who served as the FDA's chief counsel in the 1970s, thinks the sheer size of the merged entity is going to be a problem. "It's not like a business merger, where sometimes the whole idea is to actually get rid of 50% of the people and achieve efficiency. You can't do that here; you've got to keep 100% of the people and indeed you may have to hire additional people to merge it," says Hutt. "The larger the organization, the more difficult it sometimes gets to manage it." Hutt cites the FDA's previous effort in 1982 to consolidate the two centers—a move that was abandoned only six years later.

Cultural differences in the way the two centers operate could also pose problems. The two centers are at separate locations, and the CBER has historically been more "hands-on," sometimes conducting research. The FDA has promised industry that there will be no near-term disruption to reviews, and in order to do that, CBER staff will be kept on to continue their reviews, but at which location is not known. Jim Czaban, an attorney at Heller Ehrman (Washington, DC), says that there could be some problems if CBER employees do not adjust quickly to working under CDER management, which is perceived to run a "tighter ship."

A major concern for the biotech industry, according to Hutt, is that the regulations for small-molecule drugs (the Food, Drug, and Cosmetics Act) and for the more complex biologics (the Public Health Act) remain separate. Debate is already underway between firms producing generic drugs and the biotech industry as to whether regulatory agencies should ease the approval process for generic biologics; the biotech lobby maintains that even small differences in how a biologic is manufactured can significantly affect its safety and efficacy, and thus biogeneric products should be regulated as stringently as the original biologic. Currently, biogenerics must pass through at least abbreviated clinical trials to show bioequivalence (*Nat. Biotechnol.* **19**, 117, 2001). But some CDER officials reportedly contend that the FD&C gives them authority to approve generic versions of biologics that are regulated as drugs, such as human insulin. Although the FDA has stated that its current policy on generic biologics will not be affected by its decision to restructure, Hutt says, "Once you bring the two organizations together, the potential for blurring these lines increases."

Nevertheless, Carl Feldbaum, president of the Biotechnology Industry Organization (BIO; Washington, DC), says he remains "cautiously optimistic" about the restructuring. "We have had assurances…that…there will not be any near-term disruption in reviews, and…that this has no effect whatsoever on the issue of generics," says Feldbaum. He understands BIO is "welcome at the table for the implementation of this transition," and maintains that "if the stated intention and ambition is to make the review process work more expeditiously and consistently, then the aim is correct."

However, some public interest groups claim reviews are already too fast to ensure public safety. They cite a recent article in *JAMA* (**287**, 2215, 2002) claiming that "the estimated probability of a new drug acquiring black box warnings or being withdrawn from the market over 25 years was 20%". Larry Sasich, research associate for the consumer watchdog group Public Citizen (Washington, DC), is concerned about the apparent influence of industry over the FDA. "If [the FDA's restructuring] is being driven by industry complaints of slow review times, then that is very troubling because that makes it look like FDA is dancing to industry's tune, and from a public health standpoint that can be worrisome."

Meanwhile, having issued a single-page document only, and with no obvious concrete plan of execution, the FDA apparently has a lot of details to iron out. The formidable task of organizing the consolidation falls to Murray Lumpkin, senior associate commissioner at the FDA, who will chair a working group that will develop a plan and timeline for implementing the consolidation by January 2003. Lumpkin earns high praise from both Hutt and Feldbaum. "He has a very good reputation among industry people," says Feldbaum. "There is a lot of confidence that this will get done right." Hutt agrees: "If anyone can figure this out, he can."

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Europe needs a single, deep capital market

The European life science industry faces an acute financial crisis that threatens to slow down its continued and substantial growth. This was a key finding of the inaugural annual Deloitte & Touche (D&T) review of the European "mediscience" sector—*Surviving Uncertainty*—launched at the UK's BioIndustry Association "CEO and Investor" conference held recently in London (9–10 September 2002). One of the report's clear recommendations was that Europe urgently needs a single technology-oriented financial center that understands and can respond to the needs of the life science sector.

The D&T review collated and analyzed financial data and other industry metrics from the public filings between 1997 and 2001 of 1,788 companies in Europe and Israel within the healthcare, diagnostics,