



CANADIAN PLASMA RESOURCES

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January 25, 2019

Honourable Members of the Standing Senate Committee on Social Affairs,
Science and Technology
The Senate of Canada
Ottawa, Ontario
K1A 0A4

Re: S-252 (Voluntary Blood Donations Act)

Dear Honourable Senators:

In advance of your further deliberations on this bill I am writing to correct several factual errors and mischaracterisations about our company made by Senator Wallin and Kat Lanteigne during their testimony before your committee on December 5th, 2018, and in Senator Wallin's remarks during debate at second reading in the Senate Chamber on May 31st, 2018.

As it was the subject of significant discussion during your hearing last month, I would like to begin by addressing the issue of whether our paid facilities are harming Canadian Blood Services' (CBS) ability to retain volunteer whole blood donors. Senator Wallin cited a report from CBS that indicated they had experienced a decline in voluntary whole blood donors in the 17-24 age group in Saskatoon since we opened our facility there. First, the decline in the said age group started months before we opened our centre and interestingly it stopped by the time we started to ramp up operation in Saskatoon. Secondly, she failed to disclose to you that the same report noted that overall, CBS had experienced a **35.8 percent increase in total voluntary whole blood donors in Saskatoon** over the same period and that CBS had concluded our facility had no impact on their overall collection efforts. In fact in a November 23rd 2017 statement CBS clarified they can manage the local challenges brought about by the presence of our operations. Not only did CBS see a significant increase in voluntary whole blood donors in Saskatoon, the increase in Saskatoon was more than double that for the rest of the province. Similarly, CBS has examined the impact of the 30 years old paid plasma collection facility in Winnipeg on their voluntary blood collection efforts in that city and found that there was no negative impact.

These findings are consistent with Health Canada's 2013 report that found that countries with paid plasma collection systems have much higher voluntary blood donation rates than does Canada. Therefore, to say that our company is a threat to the voluntary whole blood system in Canada is simply not supported by evidence. Less than 4% of eligible individuals donate blood/plasma voluntarily in Canada. Through our donor recruitment model, we are able to tap into a previously untapped donor pool to significantly increase Canada's overall blood/plasma donation rate with negligible impingement into the existing voluntary donor base of CBS. As a condition of our Health Canada license, we collect data as to whether our donors have been CBS whole blood donors in the past. Over 90 percent of our donors are new individuals who were not active blood donors.

Give Plasma, Give Life

The second issue that was raised at your meeting last month was whether the plasma we collect we will be available to Canadian patients. This is a legitimate question and in fact Health Canada noted in its recent expert panel report on Ig supply that plasma collected by the commercial sector in Canada should first be made available to Canadians. We have made numerous offers to both Canadian Blood Services and Hema-Quebec to provide our source plasma at a fraction of what it costs them to collect source plasma themselves. These offers have been summarily rejected by the Canadian Blood Services. Canadian Blood Services did however purchase almost 50 thousand liters of US recovered plasma in 2016 which was almost double the volume from two years prior. This in addition to the \$728 million worth of finished products it purchases during its tendering process each year. Should Canadian Blood Services or Hema-Quebec decide to purchase Canadian plasma, we would make it available to them on a priority basis.

Our plans are to open ten plasma collection centres followed by the construction of a fractionation facility to manufacture finished products for the Canadian market. In the meantime, we sell our source plasma to a global pharmaceutical company who manufactures finished products for the international market. This is the same market on which Canada depends for its plasma derived products.

During her second reading speech in the Senate, Senator Wallin questioned the safety of products manufactured from paid plasma donations, citing her experience covering the Krever inquiry as a journalist in 1993. Her remarks ignore the evidence-based scientific opinions of experts at Health Canada, the FDA, Hema-Quebec and Canadian Blood Services attesting to the safety of paid plasma, and the fact that not one single transmission of HIV or HEP-C has occurred in over 25 years. Improvements in screening technology, viral inactivation, and manufacturing processes have eliminated this threat. Tens of thousands of Canadian patients rely on these products every day, and to question their safety without any evidence is inflammatory and unfair to patients.

Some may hold the view that paying for plasma is unethical even though it is the raw material for a for-profit pharmaceutical product. This is a legitimate point of view and no doubt pharmaceutical companies would welcome volunteer donors who provide the raw material for our products for free. But this is not realistic, sustainable or fair. Donating plasma takes much longer than donating blood, and we need plasma donors to return much more frequently than blood donors. No country in the world is self-sufficient using only a volunteer model.

Volunteer plasma is also far more costly than plasma sourced from paid donors. Simply look at the per litre collection costs in a Hema-Quebec or CBS annual report. This is why Canadian Blood Services is now seeking an additional \$850 million dollars in public funding from provinces and territories to increase voluntary plasma donations. That is a significant charge to impose on taxpayers when the private sector could accomplish the same goals with no additional public investment.

CBS' goal is to reach 50% self-sufficiency (currently it is less than 15%) over the next 5-7 years. 100 percent of this plasma will be shipped to foreign pharmaceutical companies to manufacture finished products that will be re-imported to Canada. The remaining 50% will continue to be sourced from paid American donors. Given that the American private sector and paid American donor have been safely and cost effectively supplying the Canadian health care system for decades, why pass a bill that would ban a Canadian company from making a similar contribution, while continuing to allow American companies who pay their donors to do business here?

Not only are we producing a product that saves lives, we are doing so by employing nurses, phlebotomists, technicians, sales and marketing staff with over 50 employees at our two sites. These numbers will continue to grow as we expand. Our donors and the communities they live in also benefit. We have paid over \$1.2 million to donors in Saskatoon, and \$400 thousand to donors in Moncton. If this bill becomes law, we will have no choice but to shut down and move to the United States from where, ironically, it will be easier for us to service the Canadian market.

I would welcome the opportunity to testify before you in person and I understand that my staff have been in contact with the clerk of the committee. I would also encourage you to invite representatives from the governments of the provinces in which we operate to appear before you as this bill is a clear infringement of their jurisdiction to manage the blood supply as well as representatives from the Health Canada Expert Panel on Immunoglobulins supply.

Finally, on a personal note I would like to correct Senator Wallin's assertion that we are a foreign controlled company and a threat to Canada's national security. Canadian Plasma Resources is a Canadian owned and controlled company. 93% percent of the shares are held by Canadian citizens and 7% by British citizens. Our management team is 100 percent Canadian, as are the vast majority of our employees. I immigrated to Canada as a teenager from Iran, and pursued my studies at the University of Toronto where I earned a PhD in Photonics. My wife is a professor at McMaster University where she is the Canada Research Chair in Biomedical Devices. We are proud Canadians, living in Oakville Ontario where we are raising our two small children.

Thank you for taking the time to read this letter. I look forward to the opportunity to meet you in person.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Barzin Bhardoust', enclosed within a blue oval scribble.

Barzin Bhardoust PhD
CEO Canadian Plasma Resources