

ONE COUNTRY





STIMULATING THE RURAL ECONOMY

Rural America faces significant economic challenges that require a comprehensive policy approach to revitalize communities and create new opportunities. A multifaceted strategy is necessary to address the complex issues affecting these areas and to foster sustainable growth and development.

Economic diversification is crucial for the long-term stability of rural regions. This involves attracting new industries, particularly in emerging sectors such as clean energy, advanced manufacturing, and technology. Additionally, supporting local entrepreneurs and small businesses through improved access to capital, mentorship programs, and targeted tax incentives can help stimulate economic activity. Workforce development initiatives, including skills training and apprenticeship programs, are also essential to ensure rural residents are prepared for evolving job markets.

Addressing healthcare costs, particularly prescription drug prices, is a critical component of improving rural quality of life. Implementing rural-specific drug pricing models, expanding eligibility for assistance programs, and exploring innovative solutions like community-owned pharmacies could help alleviate this burden. Simultaneously, closing the digital divide by expanding broadband infrastructure is vital for rural economic competitiveness. This can be achieved through increased funding for rural broadband initiatives, public-private partnerships, and support for community-owned networks.

Investing in rural infrastructure is fundamental to creating a foundation for economic growth. This includes modernizing transportation networks, water and wastewater systems, and electrical grids. Such improvements not only enhance the quality of life for current residents but also make rural areas more attractive for business investment and population retention. By implementing these comprehensive measures, policymakers can help create a more resilient and prosperous rural America, contributing to the overall economic strength of the nation.

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Financial Resilience

Decades of disinvestment and consolidation have sapped the economic vitality of many rural communities leaving them particularly susceptible to economic shocks and prolonged downturns. To combat these trends, we must invest resources in rural communities that will diversify and stimulate the economy, create economic growth, and lead to stabilization and population growth.

There are several ways to achieve greater financial resilience in rural America, including:

- Expanding access to credit programs in rural areas through USDA loan programs will assist ongoing operations and fund new businesses to help diversify rural economies.
- Investing in workforce development to ensure the businesses being attracted to rural communities have a ready workforce to support them. This is particularly true of education and training in the skilled trades, as construction, clean energy, and manufacturing jobs all require specialized skills.
- Supporting and expanding rural innovation hubs leads to greater entrepreneurship and further diversification of the rural economy.
- Developing value-added agriculture and food processing facilities to help rural communities capture more of the agricultural supply chain, creating jobs and increasing local economic activity.
- Investing in rural healthcare systems and facilities to improve quality of life and creates jobs. This will make rural areas more attractive for businesses and workers considering relocation.
- Finish building out the rural broadband infrastructure to connect rural businesses and workers to the digital economy, enable remote work opportunities, and provide access to online education and training resources.

What to Say

- The investments made by the Biden-Harris Administration have led to an increase in rural job growth, particularly in the clean energy and light manufacturing fields.
- The boom in manufacturing construction spurred by the Biden-Harris Administration's legislative agenda is particularly benefitting rural communities with a 104-percent increase in manufacturing construction in the last year.

Endorsements

Rural Partnership and Prosperity Act

This bill would establish two grant programs administered by the Secretary of Agriculture: rural partnership program grants and rural partnership technical assistance grants. These programs are designed to coordinate federal, nonprofit, and for-profit investments in rural areas, support comprehensive rural development activities, and provide technical assistance to rural community organizations. Additionally, the bill amends the Agriculture Improvement Act of 2018 to establish the Rural Partners Network, which will improve coordination and efficiency of federal assistance to rural communities.

□ Reducing Prescription Drug Costs

Rural America is older, sicker, and faces more challenges in accessing care - leading to poorer health outcomes and higher costs of care. Compounding that, prescription drug prices have been out of reach for American families for far too long. In comparison to other countries, prescription drug prices in the United States are 2.78 times as expensive. To make matters worse, there is an even larger gap in prices for brand-named drugs.

President Biden signed the Inflation Reduction Act (IRA) into law a little over two years ago which consisted of provisions to lower Medicare prescription drug prices. Most recently, the Biden-Harris administration announced new, lower prices for the first ten drugs selected for the Medicare drug price negotiation program. In the first year of this program, these new prices are projected to save millions of seniors and Medicare beneficiaries \$1.5 billion in out-of-pocket costs.

The new prices will go into effect for people with Medicare Part D prescription drug coverage in 2026, adding another \$6 billion in savings.

Starting in 2025 out-of-pocket prescription drug costs will have an annual cap of \$2,000 for Medicare beneficiaries. Medicare beneficiaries also have a \$35 per month cap on Insulin costs.

What to Say

- The Biden-Harris Administration has created meaningful savings for Medicare recipients and increase access to basic care services.
- As Medicare continues to negotiate lower drug prices on a wider array of drugs, the savings to Medicare recipients will grow.
- Lowering Medicare drug prices will also help hold down costs for patients on private insurance as well, creating a broader reduction in drug prices.

Endorsements

Capping Prescription Costs Act of 2023

This bill caps the monthly cost-sharing amount permitted for prescription drugs under qualified health plans and group health plans.

Affordable and Safe Prescription Drug Importation Act of 2024

This bill would allow the importation of affordable and safe prescription drugs from Canada, the UK, European Union member states, Switzerland, and potentially other countries. It would determine a process for certifying sellers, establishing safety standards, and allowing wholesale distributors and individuals to import qualifying drugs.

Affordable Pricing for Taxpayer-Funded Prescription Drugs Act of 2023

This bill requires companies that receive federal funding for research for a biomedical product or service to agree to set reasonable prices for the resulting biomedical product or service. The Department of Health and Human Services (HHS) must determine a reasonable price based on a formula that ensures the U.S. price for the product or service is not more than the median price for the product or service in Canada and six other reference countries with, based on specified criteria, large economies and high incomes. Companies entering these agreements also must report to HHS financial information related to the product or service involved.

□ Bridging the Digital Divide

After decades of underinvestment in connectivity, rural communities continue to be left behind and struggle to access services that are widely available in other areas of the country. 14-percent of rural residents lack access to highspeed internet service. This gap exacerbates economic inequalities between rural and urban areas, as rural businesses have reduced productivity and lower growth. The gaps extend beyond the economy as well to include health outcomes as rural residents cannot access telehealth options and other advanced care methods that are dependent on connectivity.

However, in the last 3 years there has been improvement in the digital gap between rural and urban areas.

The USDA Rural Development ReConnect Program has connected over 314,000 rural households to broadband internet. An additional 622,000 rural households will be connected through programs passed in the Bipartisan Infrastructure Law (BIL).

In total, the BIL invested over \$65 billion in high-speed broadband connections.

Although there is still significant work to do, the gap in connectivity between rural and urban America has never been smaller. With Congressional action in 2025 to restore funding for the Affordable Connectivity Program the digital divide can shrink further.

What to Say

- Congress must act to restore the Affordable Connectivity Program. This program ensured millions of Americans could afford broadband and disproportionately benefitted rural communities.
- The Biden-Harris Administration has delivered policy and legislation that has increased connectivity and reduced the digital divide between rural and urban areas.

Endorsements

Secure and Affordable Broadband Extension Act

This bill aims to appropriate additional funds for the Federal Communications Commission's "rip and replace" program and the Affordable Connectivity Program, while also implementing changes to improve the latter program's efficiency and effectiveness. Additionally, the bill requires the FCC to conduct a spectrum auction within two years of the Act's enactment. This auction would focus on specific frequency bands and previously auctioned licenses that have been or may be cancelled or terminated.

Affordable Connectivity Program Extension Act of 2024

This bill extends and provides FY2024 funding for the Affordable Connectivity Program, which provides a monthly benefit that allows eligible low-income households to receive discounted internet service. The program also provides a one-time discount that may be used to purchase a connected device, such as a computer.

▣ Bipartisan Infrastructure Law

By the mid-2010s it had become abundantly clear that America's infrastructure was outdated and falling behind that of its competitors, like China. The U.S. population has doubled since the 1960s, when most of our country's major infrastructure, including roads, railways, electrical grids, telecom networks, and more were built. According to experts, these systems are exceeding their limits and intended lifespans. The American Society of Civil Engineers (ASCE) gave America's infrastructure a "C-" in its 2021 report card.

After four-plus years of President Trump talking about infrastructure without any results, President Biden brokered an historic investment in America's future in just 11-months. In November 2021, the Bipartisan Infrastructure Law (BIL) was signed into law, making a historic investment in U.S. infrastructure.

The BIL funded improvements to over 1,300 rural transportations systems. The BIL provided over \$2 billion to improve rural roadways. The BIL also funded road and bridge improvements to replace crumbling infrastructure and improve roadway safety in rural areas where 45-percent of all road fatalities occur.

The BIL funded remediation projects for lead water pipes and connections to sewage systems in rural communities that lacked proper sewage infrastructure.

The BIL included programs to prevent flooding and build other climate resilient infrastructure to ensure the safety of rural communities.

What to Say

- The BIL, combined with the CHIPS and Science Act and the Inflation Reduction Act, have created over 35,000 infrastructure projects across the country.
- Nearly half of all infrastructure spending will directly benefit rural areas.
- Through the BIL Rural Surface Transportation Grant Program, over \$1 billion has been invested in critical rural transportation projects, improving connectivity and safety in rural regions across the nation.

