

WEEKLY UPDATE



From January 29, 2016

STATE OF MANUFACTURING

This week the National Association of Manufacturers (NAM) partnered with Associated Industries of Florida (AIF), Port Tampa Bay and Tampa Bay Partnership to host the 2016 State of Manufacturing Tour. As the state affiliate for NAM, AIF is pleased to be part of educating Florida's businesses, employees, and students on why it is that manufacturing is so important to the United States.

Thursday, Jay Timmons, President and CEO of NAM, as well as Tom Feeney, AIF's President and CEO, addressed students from the University of South Florida on the education and career opportunities available to them in the field of manufacturing through the **Science, Technology, Engineering, and Mathematics (STEM)** programs.

NAM is set to visit seven states across the U.S. to highlight the importance of manufacturing in America and lay out solutions that will create more jobs, seize global leadership and expand the circle of opportunity so wide that the American Dream is available to everyone.

Read an op-ed released from both NAM President and CEO, Jay Timmons, and AIF President and CEO Tom Feeney for more information on the effect of manufacturing in the U.S. by following the link below.

<http://www.tbo.com/list/news-opinion-commentary/breaking-down-barriers-to-a-robust-us-economy-20160129/>

VIDEO UPDATE

For a re-cap on what happened this week in the Capitol, below is a video update from AIF's General Counsel, Tammy Perdue. In this video, Mrs. Perdue, references the passing of regulatory bills; HB 59, relating to Agritourism **Rep. Neil Combee (R-Auburndale)**; HB 509, relating to Transportation Network Companies by **Rep. Matt Gaetz (R-Shalimar)**; and HB 191, relating to Oil and Gas Regulation by **Rep. Ray Rodrigues (R-Fort Myers)**. For more details on these bills please see the *Weekly Brief* below.

https://youtu.be/y_gVGNZa8fw

AGRICULTURE

HB 59-Relating to Agritourism

On Wednesday, January 27th, **HB 59**, relating to Agritourism, sponsored by **Rep. Neil Combee (R-Auburndale)** was read a third time and passed through the House floor unanimously with a vote of 118 yeas and 0 nays.

This bill prohibits local governments from enforcing any local ordinance, regulation, rule, or policy that prohibits, restricts, regulates, or otherwise limits an agritourism activity on land classified as agricultural land under Florida's greenbelt law. An "agritourism activity" is any agricultural related activity consistent with a bona fide farm or ranch or in a working forest that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy activities, including farming, ranching, historical, cultural, or harvest-your-own activities and attractions.

Agritourism is one of the many methods farmers use to diversify and increase their income.

HB 59 will now go to the Senate chamber for consideration.

AIF supports any legislation that allows Florida farmers to safely expand their businesses through the use of Agritourism.

ECONOMIC DEVELOPMENT

HB 95- Relating to Public-Private Partnerships

On Wednesday, January 27th, **HB 95**, relating to Public-Private Partnerships, by **Rep. Greg Steube (R-Sarasota)** was heard in the **House Appropriations Committee** and passed with 24 yeas and 1 nay. **AIF stood in support of this bill.**

The bill takes the recommendations from the Partnership for Public Facilities and Infrastructure Act Guidelines Task Force created by legislation in 2013, and incorporates many of the recommendations contained in the task force report into law. The bill aims to provide for more opportunities for the private sector to enter into contracts for construction services with state universities and local governments.

The bill expands the list of entities authorized to conduct Public-Private Partnerships (P3s) to include state universities, clarifies the P3 process, provides increased flexibility to the responsible public entity by permitting that entity to deviate from the provided procurement timeframes, and authorizes the Department of Management Services to accept and maintain copies of agreements received from responsible public entities to share with municipalities/counties that may need assistance in the P3 process.

HB 95 will now head to the **House State Affairs Committee** for its last committee week hearing.

AIF strongly supports utilization of the private sector in helping to solve public construction needs. Government's role is critical in securing and advancing our state's infrastructure.

ENERGY

SB 318- Relating to Regulation of Oil and Gas Resources

On Wednesday, January 13th, **SB 318**, relating to Regulation of Oil and Gas Resources, by **Senator Garrett Richter (R-Naples)** was heard by the **Senate Appropriations Subcommittee on General Government** and passed with 4 yeas and 2 nays. **AIF stood in support of this bill.**

SB 318 makes many revisions to the Oil and Gas Program (Program) to make this program safer and more effective for all involved. The Department of Environmental Protection's (DEP) Mining and Minerals Regulation Program in the Division of Water Resource Management (Division) oversees permitting for oil and gas drilling, production, and exploration within Florida through its Oil and Gas Program. The Program's primary responsibilities include conservation of oil and gas resources, correlative rights protection, maintenance of health and human safety, and environmental protection.

The next and final committee stop for SB 318 will be in the **Senate Appropriations Committee.**

AIF supports the need to maintain appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

Please read below a statement from our Senior VP of State and Federal Affairs, Brewster Bevis, released Monday, January 25th, regarding SB 318:

AIF Statement on Senate Bill 318 Passing Appropriations Subcommittee on General Government

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State and Federal Affairs Brewster Bevis regarding Senate Bill 318, which is sponsored by Senator Garrett Richter (R-Naples), following its passage in the Senate Appropriations Subcommittee on General Government.

"Senator Richter has worked tirelessly on this good legislation, making a number of changes to the language as he continues to hear concerns and work with Floridians and third-party groups. These changes include an amendment adopted today that clarifies the regulation of oil and gas are preempted to the state; but, also ensures counties and municipalities are allowed to adopt and enforce zoning or land use requirements which may restrict the exploration and production of oil and gas, so long as it does not effectively impose a ban.

“If successful this session, this good legislation will also ensure that the responsible onshore oil and gas industry is allowed to continue to operate, but does so in a commonsense, regulated manner under an empowered DEP, which will be granted increased oversight authority over all high-pressure well stimulation techniques.

“While AIF continues to have concerns about the inclusion of a study, as we find it unnecessary; overall, we are supportive of Senator Richter’s SB 318, and thank him for his work on this good bill, as well as his willingness to work with concerned parties throughout the process.”

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HB 191- Relating to Regulation of Oil and Gas Resources

On Wednesday, January 27th, **HB 191**, relating to Regulation of Oil and Gas Resources, by **Rep. Ray Rodrigues (R-Fort Myers)** was read for a third time and passed through the House floor after much deliberation between the House members. The bill passed by a vote of 73 yeas to 45 nays.

This bill makes many revisions to the Oil and Gas Program (program) to make this program safer and more effective for all involved. The Department of Environmental Protection’s (DEP) Mining and Minerals Regulation Program in the Division of Water Resource Management (Division) oversees permitting for oil and gas drilling, production, and exploration within Florida through its Oil and Gas Program. In the State of Florida, according to statute, high pressure well-stimulation is already a legal practice. This regulatory program would amend said statute to include safer practices for conservation of oil and gas resources, correlative rights protection, maintenance of health and human safety, and environmental protection. High pressure well-stimulation will happen regardless of HB 191, the goal is to make this practice safer for all Floridians involved.

HB 191 will now go to the Senate chamber for consideration.

AIF supports the need to maintain appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

HB 191 was, understandably, not an easy feat and we applaud the Legislature for doing its due diligence, asking all the necessary questions and passing this regulatory piece of legislation for Florida’s future.

Below is a statement from our Senior Vice President of State and Federal Affairs, Brewster Bevis, released Wednesday, January 27th, on the passage of HB 191:

AIF Statement on Legislation Regulating the Onshore Oil & Gas Industry Passing the Florida House

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State and Federal Affairs Brewster Bevis regarding House Bill 191 passing the Florida House.

“Representative Ray Rodrigues has been steadfast in his goal to properly regulate the onshore oil and gas industry, and we commend him for successfully guiding this good piece of legislation through the Florida House today.

“By working in good faith with concerned citizens and third parties, we believe that the final product of HB 191 both appropriately empowers the Florida Department of Environmental Protection to properly regulate the onshore oil and gas industry, and also ensures the protection and preservation of Florida’s environment.

“We look forward to seeing the companion bill, Senator Garrett Richter’s Senate Bill 318, progress and also considered by the Florida Senate in the same deliberative manner.”

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HEALTH CARE

SB 1686- Relating to Telehealth

On Tuesday, January 26th, **SB 1686**, relating to Telehealth, sponsored by **Senator Aaron Bean (R-Jacksonville)** was heard today by the **Senate Health Policy Committee** and unanimously passed with 9 yeas and 0 nays.

SB 1686 creates a Telehealth Task Force within the Agency for Health Care Administration (AHCA), authorizes healthcare practitioners in Florida to provide telehealth services, and defines telehealth. The task force is chaired by the Secretary of the AHCA or his or her designee, the State Surgeon General and 17 other members, including other health care practitioners, providers, telehealth services providers and sellers, and facilities.

The bill requires the task force to compile data and submit a report by June 30, 2017, to the Governor, the President of the Senate, and the Speaker of the House of Representatives that analyzes:

- Frequency and extent of the use of telehealth nationally and in this state;
- Costs and cost savings associated with using telehealth;
- Types of telehealth services available;
- Extent of available health insurance coverage available for telehealth services; and
- Barriers to implementing the use of, using, or accessing telehealth services.

The bill requires the task force to hold its first meeting by September 1, 2016, and to meet as frequently as necessary to complete its work.

The next committee hearing for SB 1686 will be in the **Senate Appropriations Subcommittee on Health and Human Services**.

AIF supports legislation that permits an unfettered role for telehealth services that will allow our citizens access to better quality care at lower costs.

SB 676-Relating to Health Care

On Tuesday, January 26th, **SB 676**, relating to Health Care, by **Senator Denise Grimsley (R-Sebring)** was heard in front of the **Senate Banking and Insurance Committee** and passed with 9 yeas and 0 nays.

SB 676 would authorize and increase the scope for practice for physician assistants (PAs) and advanced registered nurse practitioners (ARNPs) to prescribe controlled substances under current supervisory standards for PAs and protocols for ARNPs beginning January 1, 2017. ARNPs and Pas would not be allowed to prescribe controlled substances in a pain management clinic. Other provisions of the bill include:

- Requiring health insurers, HMOs and pharmacy benefits managers to use the standardized prior authorization form by January 1, 2017;
- Providing a health insurer or HMO cannot retroactively deny a claim due to an insured's ineligibility, if that insurer or HMO verified eligibility at the time of treatment; and
- Requiring hospitals to notify OB physicians with privileges at least 90 days prior to closing its OB department.

Another provision to the bill, which causes AIF to continue to express concern, is the provision that would prohibit a health insurer and health maintenance organization (HMO) from retroactively denying a claim due to the insured's delinquency of premium payments, if that insurer or HMO already verified the insured's eligibility at the time of treatment. This provision on claims payment could lead to increased costs on Florida's businesses.

However, we do SUPPORT the provision in this bill that will provide for an increase of the scope of practice for ARNPs and PAs.

At this juncture AIF did not take a position on this bill.

The next committee stop for SB 676 is in the **Senate Appropriations Subcommittee on Health and Human Services**.

INSURANCE

HB 1097- Relating to Assignment or Transfer of Property Insurance Rights

On Monday, January 25th, **HB 1097**, relating to Assignment or Transfer of Property Insurance Rights, by **Rep. Matt Caldwell (R-Lehigh Acres)** was heard in front of the **House Insurance & Banking Subcommittee** and passed with 12 yeas and 0 nays.

HB 1097 was replaced with a substitute version which removed the policyholder's enforcement protections and included modifications to several claims timeframes. In order to accommodate these changes, the committee had to adopt a title amendment, changing the bill title to "insurance claims." **AIF's General Counsel, Tammy Perdue**, testified expressing concerns on changes to those timeframes, due to the unstudied effect on property insurance as well as multiple other lines. Many members of the committee also expressed concern about timeframes and are in support of reinstating the enforcement protection for policyholders, which would prevent the transfer of the one-way attorney fee statute. AIF will continue to work with the bill sponsor and continue to keep our members updated on any changes that may occur.

The next committee stop for HB 1097 will be in the **House Regulatory Affairs Committee**.

AIF supports HB 1097 because it aims to stamp out cost drivers and control attorneys' fees for the benefit of premium payers statewide.

SB 596-Relating to Assignment or Transfer of Property Insurance Rights

On Tuesday, January 26th, **SB 596**, relating to Assignment or Transfer of Property Insurance Rights, by **Senator Dorothy Hukill (R- Port Orange)** was scheduled to be heard by the **Senate Banking and Insurance Committee** and temporarily postponed due to an absence by the bill sponsor.

SB 596 is the Senate companion to HB 1097, relating to Assignment or Transfer of Property Insurance Rights, by **Rep. Matt Caldwell (R-Lehigh Acres)** which passed unanimously through the **House Insurance & Banking Subcommittee** yesterday, January 25th, with a vote of 12 yeas to 0 nays. **Click here to see the report on HB 1097.**

We anticipate SB 596 will be placed on the schedule to be heard at the next **Senate Banking and Insurance Committee** hearing.

AIF supports legislation that aims to stamp out cost drivers and control attorneys' fees for the benefit of premium payers statewide.

SB 1036- Relating to Automobile Insurance

On Tuesday, January 26th, **SB 1036**, relating to Automobile Insurance, by **Senator Jeff Brandes (R-St. Petersburg)** was heard by the **Senate Banking and Insurance Committee** and unanimously passed with 9 yeas and 0 nays.

SB 1036 makes updates to the auto market, lessening the burden on businesses. These updates include making a mandatory pre-inspection program for used cars optional, and including provisions for electronic payments of insurance premiums.

The next committee stop for SB 1036 will be in the **Senate Commerce and Tourism Committee**.

AIF supports smart, targeted reforms that help keep the insurance markets up to date and with the times.

SB 1170- Relating to Health Plan Regulatory Administration

On Tuesday, January 26th, **SB 1170**, relating to Health Plan Regulatory Administration, sponsored by **Senator Nancy Detert (R-Venice)** was heard before the **Senate Banking and Insurance Committee** and passed with 9 yeas and 0 nays.

SB 1170 is a regulatory modernization bill for health plans. By cleaning up state regulations that have become obsolete or redundant in the last several years, this bill reduces burdens to the health insurance marketplace.

SB 1170 is scheduled to be heard in the **Senate Appropriations Subcommittee on Health and Human Services** next.

AIF supports modernization to prevent duplication in federal and state law, which only adds unnecessary expenses to all health insurance stakeholders.

SB 632-Relating to Civil Remedies Against Insurers

On Tuesday, January 26th, **SB 632**, relating to Civil Remedies Against Insurers, by **Senator Garrett Richter (R-Naples)** was scheduled to be heard in front of the **Senate Banking and Insurance Committee** and was temporarily postponed for the second time.

SB 632 establishes reasonable timelines for when a bad faith action can be brought against an insurance company.

We anticipate the **Senate Banking and Insurance Committee** will hear this measure and its next scheduled meeting.

AIF supports this legislation because it sets clear rules as to what good faith dealings are to ensure certainty and fairness for all parties.

LEGAL & JUDICIAL

HB 273- Relating to Public Records

On Wednesday, January 27th, **HB 273**, relating to Public Records, by **Rep. Halsey Beshears (R-Monticello)** was read for a third time on the House floor and passed by a vote of 110 yeas to 7 nays.

This bill addresses the procedure for obtaining records relating to a public agency's contract for services with a private contractor. As it stands today, the Florida Constitution provides every person the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or of persons acting on their behalf.

However, the issue of who the party responsible for providing these public records remains. If this bill becomes law, requests for records relating to a public agency's contract for services must be made to the contracting agency. An agency who receives a request for records possessed by a contractor must then attempt to obtain the records from the contractor.

HB 273 also provides that if a civil action is filed to compel production of public records, the court must assess and award against the contractor the reasonable costs of enforcement, including attorney fees, if the court determines that a contractor unlawfully refused to comply with the public records request within a reasonable time, and the plaintiff provided written notice of the public records request to the public agency and the contractor. The notice must be sent at least 8 business days before the plaintiff files the civil action. The bill specifies that a contractor who complies with the public records request within 8 business days after the notice is sent is not liable for the reasonable costs of enforcement.

This bill will now go to the Senate floor for consideration.

AIF supports legislation that reduces frivolous law suits against Florida businesses.

HB 267- Relating to Public Records/State –Funded Infrastructure Bank

On Thursday, January 28th, **HB 267**, relating to Public Records/State-Funded Infrastructure Bank, by **Rep. Mike LaRosa (R-Saint Cloud)** was heard by the **House Economic Affairs Committee** and passed with 14 yeas and 1 nay. **AIF stood in support of this bill.**

Currently, the state-funded infrastructure bank (SIB) is housed within Department of Transportation (department). The SIB provides loans and credit enhancements to public and private entities for constructing and improving transportation facilities. This bill creates a public record exemption for the financial statements or other financial information that is required for the application to the SIB.

However, the public records exemption does not apply to the financial records of an applicant who is in default of an SIB loan.

This exemption is subject to the Open Government Sunset Review Act and will be repealed on October 2, 2021 unless this bill is reenacted by the Legislature.

HB 267 will now go to the House floor for consideration.

AIF supports protecting the financial information of private companies.

TAXATION

SB 98- Relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment

On Monday, January 25th, **SB 98**, relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment by **Senator Dorothy Hukill (R-Port Orange)** was heard before the **Senate Finance and Tax Committee** and unanimously passed with 6 yeas and 0 nays. **AIF stood in support of this bill.**

Since April 30, 2014, the state has provided an exemption for certain manufacturing equipment from the 6% sales and use tax that is set to expire on April 30, 2017. To qualify for this exemption machinery or equipment must be used at a fixed location in the state and eligible businesses include only those classified in the North American Industry Classification System (NAICS) under codes 31, 32, or 33. Manufacturing establishments classified under these codes include food, apparel, wood, paper, printing, chemical, pharmaceutical, plastic, rubber, metal, transportation, and furniture manufacturing. SB 98 aims to remove the 2017 expiration date and make the exemption permanent.

SB 98 will now head to the Senate floor for consideration.

AIF supports the removal of the three-year sunset on the complete elimination of sales tax imposed on the purchase of manufacturing equipment and machinery.

Below is a statement from our President and CEO, Tom Feeney, released Monday, January 25th, regarding the passage of SB 98:

AIF Statement on Manufacturing Equipment & Machinery Tax Exemption Advancing in the Senate

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributed to its President & CEO Tom Feeney regarding the passage of Senate Bill 98, relating to the exemption from the sales and use tax for certain machinery and equipment, by the Senate Finance and Tax Committee.

“As Florida’s leader in manufacturing and Florida’s affiliate for the National Association of Manufacturers, AIF applauds the Senate Finance and Tax Committee today for passing Senate Bill 98. AIF supports permanently eliminating the sales tax imposed on the purchase of manufacturing equipment and machinery.

“This tax exemption, which is part of Governor Scott’s \$79.3 billion budget proposal for FY 2016-17, is good for Florida’s employees and employers, and would help advance Florida’s manufacturing footprint, diversify the economy and create jobs.

“With SB 98 now heading to its last committee stop in the Senate, the full Appropriations Committee, we look forward to working with lawmakers to advance this pro-business tax cut that will lead to growing the manufacturing sector in the Sunshine State.”

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TRANSPORTATION

HB 509- Relating to Transportation Network Companies

On Wednesday, January 27th, **HB 509**, relating to Transportation Network Companies, by **Rep. Matt Gaetz (R-Shalimar)** was read for a third time and passed the House floor by a vote of 108 yeas to 10 nays.

HB 509 allows for statewide regulation of ridesharing companies. This will unharness technology companies like Uber from draconian local ordinances, and also represents a compromise between ridesharing and insurance stakeholders to ensure appropriate commercial coverage is in place for the benefit of drivers and passengers.

This bill will now go to the Senate chamber for consideration.

AIF supports statewide digital transportation service policies to create price competition, promote consumer choice, enhance customer experience, create jobs and remove anti-competitive local regulations.

HB 7027-Relating to Department of Transportation

On Thursday, January 28th, **HB 7027**, relating to the Department of Transportation, by the **House Transportation & Ports Subcommittee** and **Rep. Patrick Rooney Jr. (R-Palm Beach Gardens)** passed through the **House Economic Affairs Committee** with 13 yeas and 2 nays.

HB 7027, which is one of two substantial transportation and port related bills moving through the House, contains a number of important provisions for AIF and its members.

One of AIF’s top transportation priorities, the Florida Seaport Transportation and Economic Development Program (FSTED), is increased by \$10million (\$25 million) in HB 7027. This program which supports growth and economic activity at the state’s ports serves as an important program and one that has been extremely successful for the state. Additionally, the bill aids some of the state’s smaller contractors by creating the Business Development Program which is designed to help companies navigate procurements for road projects while increasing competition for the work. It also will require the state’s legislative budget commission to approve any DOT Work Plan additions over \$3million.

HB 7027 creates a state FDOT Financing Corporation which will serve as a financing mechanism for Public Private Partnerships (P3s) across the state. By creating the FDOT Financing Corporation, the state would offer a mechanism to provide reliable, state bonds for up front financing of P3 projects in the state. In doing so, the Department believes this approach would leverage lower capital costs provided to the municipal bond markets as an option for securing financing for the upfront costs of P3 projects. Several members of the committee expressed concerns about this proposal however, citing existing state programs and financing options as being already available for P3 projects.

This bill will now head to the House floor for consideration.

AIF supports increasing the FSTED funding and spending cap levels from \$15 million to \$25 million, a very important provision for Florida’s ports. AIF also supports creating the FDOT Business Development Program as a mechanism to help educate and provide expertise to Florida’s small businesses looking to do work in the Department’s often-complex procurement process.

WORKERS' COMPENSATION

HB 613- Relating to Workers' Compensation System Administration

On Thursday, January 28th, **HB 613**, relating to Workers' Compensation System Administration, by **Rep. Jennifer Sullivan (R-Eustis)** was heard before the **House Government Operations Appropriations Subcommittee** and unanimously passed by a vote of 11 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

The workers' compensation law requires an employer to obtain coverage for their "employees" that provides for lost income and all medically necessary remedial treatment, attendance, and care resulting from work related injuries and occupational diseases. The Division of Workers' Compensation within the Department of Financial Services (DFS) provides regulatory oversight of the system. The DFS' responsibilities include enforcing employer compliance with coverage requirements, administration of the workers' compensation health care delivery system, collecting system data, and assisting injured workers regarding their benefits and rights.

Our concern over the provision in the bill that could result in uninsured LLC members still remains, however, the bill sponsor prefaced in her opening that this provision will absolutely be taken out before HB 613 hits its next committee stop in the **House Regulatory Affairs Committee**. For this reason, AIF stands in support of this bill.

AIF supports Florida's current workers' compensation law and any proposed change to the workers' compensation system- in the courtroom or Legislature- will be evaluated through the prism of coverage affordability, market stability, and employee safety.

WORKFORCE

SB 294-Relating to Labor Regulations

On Monday, January 25th, **SB 294**, relating to Labor Regulation, by **Senator Geraldine Thompson (D- Orlando)** was heard in the **Senate Commerce and Tourism Committee** and failed by a vote of 2 yeas and 4 nays.

SB 294 would have mandated employers to provide wages to all employees (even part time workers or those not otherwise qualified for leave benefits) for "sick" leave in a wide variety of situations many of which may not be connected to the employee's personal sickness. This expensive mandate has been considered by several local governments throughout the state and AIF has proudly stood with our colleagues in the business community to fight against this costly measure that would hamper job growth in our state. We are pleased with the bill's fate this afternoon and thank all the senators who voted against it today.

AIF opposes SB 294 and any other legislation that increases costs and undermines the rights of private employers to establish their own benefit programs suitable to the need and nature of their industry.