

AK LEGISLATURE SPECIAL COMMITTEE FILES SCOMM 146 3150

Senator Gary Stevens
March 5, 2007
Page 2

Section 8. Amends AS 45.65.040(e) to allow a person to report an identification seal violation and to delete the reference to agents.

Section 9. Adds a new section that describes the conduct that is prohibited when dealing with identification seals.

Section 10. Amends AS 45.65.060(a) to refer to the new sec. 45.65.055 (prohibited conduct) to describe what will be considered a misdemeanor with regard to identification seals. Adds a definition of "knowingly" and deletes "willfully."

Section 11. Amends AS 45.65.060(c) to conform the language to other changes made in the Act.

Section 12. Amends the definition to define "authentic Alaska Native art" as art that is created or crafted by an Alaska Native person.

Section 13. Amends the definition section to add definitions of "Alaska Native person," "art," "identification seal," "original," and "recognized Alaska tribe."

Section 14. Repeals certain provisions of AS 45.65.

If I may be of further assistance, please advise.

TLB:ljw
07-109.ljw

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB97-EED-AC-3-8-07
Bill Version: SB97
() Publish Date: _____

Revision Date/Time (Note if correction): _____
Title An act relating to identification seals for certain
articles created or crafted in the state by Alaska Native person;
Sponsor Senator Stevens
Requester Labor and Commerce, Finance

Dept. Affected: Education & Early Development
RDU Commissions and Boards
Component Alaska Council on the Arts
Component No. 192

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation helps clarify existing law to identify genuine Alaska Native art that is crafted in the state by Alaska Native individuals. Those who would 'knowingly' use a seal without obtaining a permit and found in violation of the law will be subject to a class B misdemeanor.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: Barbara Thompson, Deputy Commissioner
Agency: Education & Early Development

Phone 465-8679
Date/Time 3/8/07 10:01 AM
Date 3/8/2007

The integrity of the Silver Hand Program depends on the permit holders using the tags and labels in accordance with AS 45.65.010-45.65.070 and 3AAC 58.005-.900.

Unlawful use of the Silver Hand identification should be reported to ASCA immediately.

DEFINITIONS

"Authentic Native handicraft": an article made in the state, which is composed wholly, or in significant part, of natural materials, and which is produced, decorated or fashioned by an Alaska Native.

"Native": a resident having not less than one-quarter Eskimo, Aleut, or Indian blood. (American Indians whose tribes are indigenous to other states are not eligible for this program.)

"Natural material": material produced or existing in nature, not artificial or manufactured, and derived from lands, plants, animals or other natural resources.

"State resident" (AS43.23.095) means an individual who is physically present in the state with the intent to remain indefinitely in the state under the requirements of AS 1.10.055.

PENALTIES FOR MISUSE OF THE SILVER HAND IDENTIFICATION LABEL OR PERMIT

Sec. 45.65.060.

(a) A person who knowingly or willfully issues the document for or affixes or attaches the identification label provided for in this chapter to an article, knowing that it is not an authentic Native handicraft, is guilty of a class B misdemeanor.

(b) A person who knowingly or willfully sells or offers for sale an article with the label affixed or attached, knowing that it is not an authentic Native handicraft, is guilty of a class B misdemeanor.

(c) A person who knowingly or willfully alters, changes, or counterfeits an identification label or emblem, is guilty of a class B misdemeanor.

(d) A person who has been issued a permit under AS 45.65.030(a) is guilty of a class B misdemeanor if the person knowingly or willfully issues a permit for an article that is not an authentic Alaska Native Handicraft.

REVOCATION AND DEBARMENT

Sec. 3 AAC 58.075

(a) The permit of a person authorized to use the Silver Hand label or the Made in Alaska emblem or to act as an agent for either the Silver Hand or the Made in Alaska program who is convicted of an offense under AS 45.65.060 is automatically revoked on the date of the conviction.

(b) Any person who is convicted of an offense under AS 45.65.060 is barred from any further participation in either the Silver Hand or the Made in Alaska program.

(c) After notice and opportunity for hearing, the Council will, in the Council's discretion, revoke a permit for failure to comply with the requirements of AS 45.65.010 - 45.65.070 including the payment of fees, and this chapter.

TO DOWNLOAD AN APPLICATION

Go to the ASCA website www.eed.state.ak.us to download and application to fill out by hand.

FOR MORE INFORMATION

Please direct questions concerning the Silver Hand Permit Program to ASCA. Alaskan artists may also be eligible for the Made in Alaska Program. For more information on Made in Alaska call 907/272-5634.

SILVER HAND PERMIT APPLICATION



ALASKA STATE COUNCIL ON THE ARTS

411 West 4th Avenue, Suite 1E
Anchorage, Alaska 99501-2343

Tel: (907)269-6610

Fax: (907)269-6601

Toll Free in Alaska: 1-888-278-7424

TTY: 1-800-770-8973

Email: akaca_info@eed.state.ak.us

Website: www.eed.state.ak.us/akaca

☐ New Application ☐ Renewal Application

Name: _____

Address: _____

City: _____ Zip: _____

Phone: _____

Fax: _____

Email: _____

Type of Handicraft Produced: _____

I, the undersigned, hereby certify that I am an Alaska Native, am a resident of the state, am 18 years or older, and I will affix the Silver Hand label only on a handicraft that was or will be made: entirely by me; wholly or in significant part of natural materials; and within the state of Alaska. I have read and agree to abide by the Silver Hand Program information present in this permit application.

Applicant Signature _____

Date _____

☐ I am 18 years or older

☐ I am currently a permanent resident of Alaska

☐ I have attached the required documentation
(copy of CIB card or proof of 1/4 Alaskan Native)

☐ \$20 handling charge (Check or Money Order only)

☐ Copy of a current photo id

Return completed application with the above listed support documentation and \$20 to ASCA.

FOR OFFICIAL ASCA USE ONLY

Approved by: _____

Date: _____

Permit #: _____

Silver Hand Tags & Labels received: _____

Labels: _____ Hang tags: _____ Initials: _____

Amount rec'd _____ Check number: _____

THE SILVER HAND PERMIT PROGRAM

The Alaska State Council on the Arts (ASCA) administers the Silver Hand Permit Program. The purpose of the program is to provide a guarantee to a consumer that an article on which the Silver Hand identification appears has been hand crafted in Alaska by an Alaska Eskimo, Aleut, or Indian craftsman or artist and made wholly or in significant part of natural materials.

An Alaska Native person who makes an authentic handicraft article in the state may obtain Silver Hand tags or labels to identify the article. ASCA provides identification labels for authentic Alaska Native handicraft to individual applicants. The label features a silver hand and the words, "Authentic Native Handicraft from Alaska". The Silver Hand tags or labels may only be affixed to authentic Alaska Native handicrafts made by that individual while residing in the state.

The Silver Hand Permit holders are public record.

The Silver Hand Agent portion of the program has been permanently suspended.

THE SILVER HAND PERMIT PROCESS

A complete application, support documents and a \$20 handling charge must be submitted to ASCA to receive a permit to use the Silver Hand identification label on a handicraft. The Council will review applications for eligibility within 30 days from the date of receipt of a completed application. If the applicant is eligible, a nontransferable permit and Silver Hand tags and/or labels will be issued. The permit is valid for two years from the date the permit is issued and may be renewed by submitting a completed permit renewal application within 30 days of the end of the two-year period. If the applicant is ineligible the handling charge and support documents will be returned immediately.

REQUIREMENTS

A permit to use Silver Hand identification will be issued to an Alaska Native who:

- (1) Applies to the Alaska State Council on the Arts;
- (2) Documents that the applicant is an Alaska Native with a blood quantum of 1/4 or greater; documentation proving eligibility includes:

(A) United States Department of Interior, Bureau of Indian Affairs "Certificate of Indian Blood";

(B) An official letter from a village or regional corporation established under 43 U.S.C. 1606-43 U.S.C. 1607 (Alaska Native Claims Settlement act of 1971, sec. 7 & 8; or

(C) an official letter from a village council or tribe in which the applicant is a member;

(3) Certifies on the application that the applicant will affix the Silver Hand identification only on a handicraft that was or will be made:

(A) entirely by the applicant;

(B) within this state; and

(C) in whole or in significant part of natural materials.

(4) Copy of photo identification, i.e. State Drivers license, State identification card

(5) Is 18 years of age or older

(6) Is a full time resident of the state

UTILIZING SILVER HAND IDENTIFICATION

A permit holder may use the representation of the Silver Hand identification on catalogs, letterhead, business cards, in-store and other advertising, and for other similar purposes related to the permit holder's handicrafts. The permit holder may use a representative of the Silver Hand symbol only in advertising of that permit holder's handicrafts.

The Silver Hand symbol or a representation of that symbol may not be:

(A) used in a manner that is false or misleading.

(B) Modified

(C) incorporated into a business, company, or product logo or label.

(D) sold as art or as a dominant feature of a handicraft unless approved by the ASCA Chair in writing.

A permit holder may obtain 150 Silver Hand labels/tags annually from ASCA at no cost. Additional labels/tags may be purchased at ten cents per label or fifteen cents per tag. Contact ASCA for further information.

To request your free supply of Silver Hand labels/tags for the second year, submit a written request to the Alaska State Council on the Arts for the quantity of tags or labels needed. The request must be signed by the permit holder.



Celebrating 40 years of support for the arts in Alaska

Senator Johnny Ellis, Chair
Alaska State Senate
Chair, Senate Labor and Commerce Committee
Sent via email

March 7, 2007

Dear Senator Ellis and members of the committee:

The Alaska State Council on the Arts (ASCA) would like to lend our support to the passage of SB 97, relating to the Silver Hand Program.

This statute revision will strengthen the relationship between our agency and the Alaska Native artists we serve in many respects. One of the primary tenets of the Silver Hand program is the mark of authenticity for the over 1400 artists that our program represents, and for the thousands of visitors to our state who purchase this work every year.

A major study conducted of Alaska Native Artists last year under the auspices of the Ford Foundation found that almost 90% of the artists surveyed felt that the counterfeit native art market in the state is an enormous problem. While ASCA can't prohibit the sale of native art knock-offs, we certainly can strength our own resident's ability to sell work through our Silver Hand program, and inform the buying public about our program.

Another revision will incorporate the expansion of allowable materials that Native Artists can use in their work and still be in our program. Currently, only natural materials can be used, which means that many of our most well known contemporary Native artists are not eligible for the Silver Hand program. This revision will correct that problem.

The economic impact of the arts in Alaska is certainly worth mentioning. In 2001, the MacDowell Group did a survey of Alaska Arts and Crafts Industry – all sectors – and found that over 4,500 Alaskans earned income from arts-related activity, and in 2001, Alaska artists earned an estimated \$20 million. Total direct employment in the creative industry was approximately \$40 million in annual income, including profit and non profit sectors.

Although the consumer numbers are not conclusive, the same survey cited above indicated that 30% of Alaskans who purchased art in 2001, bought only Alaska Native work, and 56% of those consumers said they looked for the Silver Hand symbol when

buying Native art. As ASCA increases our publicity efforts and consumer education programs, we hope that this number grows.

ASCA is currently working closely with the Federal Trade Commission and the tourist industry to ensure that visitors to our state are aware of the importance of buying authentic Alaska Native art.

The revision of this statute and the strengthening of our policies will have impact in two major ways:

- 1) On the consumer side, to strengthen the education and enforcement efforts so that visitors and residents alike buy authentic Alaska Native art by increasing civil penalties;
- 2) On the artist side, to provide Alaska Native artists with more economic opportunities by shifting our emphasis to authenticating the artist and expanding the allowable art materials.

I appreciate your committee taking the time to review this legislation that is vital to our agency and to our Alaska Native artist population.

Sincerely,

Charlotte A. Fox
Executive Director



Alutiiq Museum and Archaeological Repository

215 Mission Road, Suite 101, Kodiak, Alaska 99615
(907) 486-7004 Fax: (907) 486-7048 www.alutiiqmuseum.com

Senator Gary Stevens
Legislative Session Contact
State Capitol, Room 103
Juneau, AK 99801-1182

February 27, 2007

Dear Senator Gary Stevens,

I am writing to express my sincere support for SB97. This proposed draft statutes reflects an exhaustive survey, many discussions, and testimony's by Alaska Native artists about their needs in supporting and protecting Alaskan Native arts. SB97 language represents years of primary stakeholder feedback in the only state endorsed Alaska Native arts authentication program, the Silver Hand. With no cost to the state, SB97 accomplishes many critical objectives in serving a statewide constituency.

This bill establishes a relationship between Silver Hand permit holders and the Alaska State Council on the Arts, the program's administering state agency. The bill links the Silver Hand permit program to State of Alaska consumer protection and fair trade law. It also helps to strengthen agency enforcement capability's and clarifies consumer and permit holder protections. SB97 expands economic and creative opportunities for artists by including contemporary Alaska Native artists as important constituents served by the permit program. The bill allows Alaska Native artists to use all material deemed important in the creation of their art and clarifies eligible visual art mediums.

SB97 also enables Federally recognized Alaska Native Tribes to identify eligible permit holders. SB97 aligns with Federal language established in the Indian Arts and Crafts Act of 1990. SB97 empowers the state to promote and protect Silver Hand permit holders who's work represents a very significant, yet quiet, contribution to statewide commerce.

I want to thank you for updating the statutes with SB97. While this may seem like a very small act it will help the Alaska State Council on the Arts support and protect Alaska Native Artists artwork.

Quyanaasinaq, "thank you very much"

A handwritten signature in dark ink, appearing to read "Sven Haakanson Jr.", written over a horizontal line.

Sven Haakanson Jr., Ph.D.
Executive Director
Alutiiq Museum

Perry R Eaton
12000 Shenandoah Road
Anchorage Alaska 99516
(907) 345- 0281

Senator Gary Stevens
State Capitol, Room 103
Juneau, Alaska 99801
By fax: (907) 465-3517

March 1, 2007

Dear Senator Stevens,

Gary, this is just a short note to let you know that I am 110% in support of SB97; the "modernization" of the Silver Hand program. What you have in front of you is the result of very diligent and solid work on the part of the Alaska State Council on the Arts in collaboration with the states Native artists. The revisions bring to the program the opportunity to be much more effective and responsive to the needs of today's Native artist, while adding no financial burden to the state.

Of all the changes proposed, I am particularly pleased with the fact that the Federally Recognized Tribes identify the eligible participants. This eliminates any specter of paternalism, removes a large administrative burden from staff, and builds on synergistic activities of other Federal and State programs and organizations.

All in all, it's a great piece of work and I strongly encourage your support to move the bill.

Perry R Eaton

110 Nicholoff Way
P.O. Box 322
Cordova Alaska 99574

ph 907.424.7903 fax 907.424.3018



Museum and Gift Gallery of the Prince William Sound, Copper River Delta and Gulf of Alaska Natives

Senator Gary Stevens
Legislative Session Contact:
State Capitol, Room 103
Juneau, AK 99801-1182
907-465-4925
fax: 907-465-3517

March 2, 2007

Dear Senator Gary Stevens

As Director of a federally recognized tribe's Cultural Center, I would like to express my support for SB97. This is a much needed update to the respected Silver Hand program.

Our cultural center's mission is to preserve our heritage through teaching and exhibiting traditional art and skills. We accomplish this through traditional art and skills classes and the gift shop which provides a sales venue for quality produced pieces. The silver hand program has been valuable to us as authentication of our tribal artists and to help us identify the work of other native artists throughout the state. We are very aware of the confusion deceptive marketing and sales practices can create around Native-made arts and crafts and support every effort to protect authentic Alaska native art.

As a member of the Museums Alaska board of directors, I have been aware of the statewide need for revisions and some of the tremendous amount of work that has gone into these recommendations for revision through SB97. I strongly urge you to see this bill through.

Quana (Thank you!)

LaRue Barnes

LaRue Barnes
Director Ilanka Cultural Center

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From: gary murphy [eskimogary@hotmail.com]
Sent: Friday, March 02, 2007 7:34 PM
To: Sen. Gary Stevens
Subject: Support Bill SB97

Senator Stevens, Please support Bill 97 . I am a Alaskan Native artist and fully support bill SB97. Sincerely Yours Gary R. Murphy



Senator Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

March 5, 2007

Dear Senator Stevens,

I am writing in support of Senate Bill SB97 that would introduce modernizations to the Silver Hand Program and which represents a thorough analysis and synthesis of needs voiced by Alaska Native artists and the expertise of Alaska State Council on the Arts. The comprehensive and collaborative nature of the revisions ensures that proposed changes will increase the both the effectiveness of the Program and the degree to which it serves Alaska Native artists. At the same time, the revisions, particularly the strengthened enforcement of the Program, will improve the economic welfare of the artists and their families, while improving their economic contribution to the state.

Sincerely,

Dawn Biddison
Assistant Curator
Smithsonian Arctic Studies Center
Alaska Regional Office
121 W. 7th Ave.
Anchorage, AK 99501
Tel: 907-343-6131
Fax: 907-343-6130
biddisondd@ci.anchorage.ak.us

ARCTIC STUDIES CENTER
Department of Anthropology
10th and Constitution N.W.
Washington DC 20560-0112
(202) 357-2682 Telephone
(202) 357-2684 Fax



Smithsonian
National Museum of Natural History

ARCTIC STUDIES CENTER
at the Rasmuson Center
121 W. 7th Ave.
Anchorage, AK 99501
(907) 343-6131 Telephone
(907) 343-6130 Fax

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NORTH SLOPE BOROUGH PLANNING DEPARTMENT

Inupiat Heritage Center
5421 North Star Street
PO Box 69
(907) 852-0422
(907) 852-4224 Fax
(907) 852-4594



March 5, 2007

Senator Gary Stevens
State Capitol, Room 103
Juneau, Alaska 99801

Dear Senator Stevens:

I am writing to express my support for SB97, a bill which links the Silver Hand permit program to the State of Alaska consumer protection and fair trade law.

Passage of this bill is extremely important as it will help strengthen agency enforcement capability and clarify consumer and permit holder protection. This bill will also help expand economic and creative opportunities for Alaska Native artists. Most importantly SB97 will help align with Federal language established in the Indian Arts and Crafts Act of 1990 and empower the state to promote and protect Silver hand permit holders.

Alaska Natives contribute significantly to statewide commerce and I strongly encourage your support to move the bill. Quyanaq.

Sincerely,

Dorcas Stein, Coordinator
Inupiat Heritage Center

cc: Commissioners, Inupiat History, Language and Culture, North Slope Borough

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From: Sen. Gary Stevens
Sent: Wednesday, March 07, 2007 9:10 AM
To: Tim Lamkin
Subject: FW: SB97 Silver Hand retooling

-----Original Message-----

From: Teri Rofkar [mailto:ravenart@pci.net]
Sent: Tuesday, March 06, 2007 9:51 PM
To: Sen. Gary Stevens; Saunders McNeill; Charlotte Fox
Subject: SB97 Silver Hand retooling

Hello Gary Stevens,

Thank you for sponsoring this bill to retool the Silver Hand program. As a full time Native Artist, I am delighted to see some updated laws to fuel an economic opportunity throughout the state of Alaska. Money earned through the Native Arts most of the time contributes to a healthier financial profile for small villages, as well as the larger tourist hubs. I sat on the ASAC task force, and we are intentionally moving away from authenticating the art, which is vague and hard to enforce... while we move toward authenticating the Artists, by using existing protocols.

Streamlining the authentication process will help as we work towards tackling the big problem of counterfeit native art. A bill like this will bring us in line with Federal Laws. A recent article in AARP said that "up to half of the Native Crafts (sold in the US) are counterfeit"

stated Jill Moran, of the US Dept. of the Interior Indian Arts and Crafts Board... This problem is a national issue, and Alaskans, because of our self sufficient and CAN DO attitude are a front runner in finding creative solutions. The Silver Hand program is part of that solution.

Thank you again for taking the first step.

Gunalcheesh, Ho, Ho,

Teri Rofkar
820 Charles St.
Sitka, AK 99835

March 6, 2007

Senator Gary Stevens
Legislative Session Contact:
State Capitol, Room 103
Juneau, AK 99801-1182
907-465-4925
fax: 907-465-3517

Dear Senator Gary Stevens,

The Bering Strait Inuit Council (BSIC) is highly supportive of SB97, which would help modernize the Silver Hand Program. Our small group supports regional artists in the Northwest Territory of Alaska for the survival of unique art forms to continue for future generations. BSIC has members who are federally recognized as indigenous groups. Silver Hand Members include Siberian Yupik, Yupik and Inupiaq artists from our region.

Our regional indigenous artists depend on this program to prove the authenticity of their handmade products. We desperately need to be protected from unauthorized imitations of our style of art. Our art helps to connect us to our cultural roots of successful survival in this northern hemisphere. Our ancestors struggled throughout the winter months yet created unique carvings that linked them to spiritual survival. We still depend on subsistence activities, and the arts and crafts we create for economic development. With the continuing rising costs of modern living and the threats of coastal erosions, our artists need this protection from this proposed bill.

We look forward to working with the Alaska State Council on the Arts to bring this program into the 21st century.

Sincerely,



MaryJane Anuqsraaq Litchard
President
Bering Strait Inuit Council
P.O. Box 948
Nome, Alaska 99762
(907) 443-4248
(907) 443-4449



ALASKA
NATIVE
HERITAGE
CENTER

March 6, 2007

Senator Gary Stevens
State Capitol, Room 103
Juneau, AK 99801-1182

fax: 907-465-3517

Dear Senator Stevens:

We at the Alaska Native Heritage Center are in full support of SB97. This bill is based on surveys, discussions, and testimony in the Alaska Native arts community and builds upon a Native Artists Summit held at AFN in October 2007. At no cost to the state, SB97 accomplishes many critical objectives in serving artists statewide.

Among the bill's strengths:

- It establishes a relationship between Silver Hand permit holders and the Alaska State Council on the Arts, who administers the program.
- Critically important, it links the Silver Hand permit program to State of Alaska consumer protection and fair trade laws.
- It expands the definition of Native art to include contemporary works, which constitute a huge contribution to our state's economy and culture.
- It allows Alaska Native artists to use all materials – not just those termed "traditional" that are important in the creation of their art.
- It aligns with Federal language established in the Indian Arts and Crafts Act of 1990.
- Most importantly, it serves the needs of Alaska Native artists throughout the state.

I join many others in the Native community in support of this bill and thank you for your support as well.

Chin'an ("Thank you").


Benjamin Ross, MBA
President and CEO

From: Gale Parsons [mailto:gparsons@prattmuseum.org]
Sent: Wednesday, March 07, 2007 11:16 AM
To: Sen. Gary Stevens
Subject: Senate Bill SB97

7 March 2007

Dear Senator Stevens and Representative LeDoux,

Thank you for crafting Senate Bill (SB97) and companion House Bill (HB161) to update the Silver Hand program statutes. The proposed changes represent long requested and important improvements to this program for Alaska Native artists. As an artist and Exhibits Director of the Pratt Museum in Homer I have been aware of the program, its importance and inadequacies since arriving in Alaska 28 years ago or since the beginning of the program. I have worked closely with Alaska Native artists through my work at the Pratt beginning in 1995 and understand the frustrations outlined in the comments below that the Bills address.

1. Establish a primary service relationship between Silver Hand artists and the Alaska State Council on the Arts. The agent arm of the permit program will be removed.
2. Strengthen enforcement capability by linking Silver Hand statues to Alaska consumer protection and fair trade practices statutes. Civil penalties for the misuse of the Silver Hand emblem will be added. Aligns with Federal language established in the Indian Arts and Crafts Act of 1990.
3. Expand economic and creative opportunities by including contemporary Alaska Native artists and the materials deemed important in the creation of their. The statutes expand the definitions section and define eligible visual art mediums.
4. Enable Federally recognized Alaska Native Tribes and ANCSA to identify eligible permit holders. Reference to blood quantum will be removed.
5. Empowers the state to promote and protect Silver Hand permit artists who's work represents a very significant economic contribution to the state.

Thank you for addressing this need.

Sincerely,

Gale Parsons

Gale Parsons, Director of Exhibits
Pratt Museum
3779 Bartlett Street
Homer, AK 99603
907-235-8635 x 36

From: Vera Crews [mailto:consult@veracrews.com]
Sent: Wednesday, March 07, 2007 1:52 PM
To: Sen. Gary Stevens
Subject: SB167

Please support SB 167 – which is meeting at the same time as I'm writing this, I think
it should accomplish these things:

1. Establish a primary service relationship between Silver Hand artists and the Alaska State Council on the Arts. The agent arm of the permit program will be removed.
2. Strengthen enforcement capability by linking Silver Hand statutes to Alaska consumer protection and fair trade practices statutes. Civil penalties for the misuse of the Silver Hand emblem will be added. Aligns with Federal language established in the Indian Arts and Crafts Act of 1990.
3. Expand economic and creative opportunities by including contemporary Alaska Native artists and the materials deemed important in the creation of their. The statutes expand the definitions section and define eligible visual art mediums.
4. Enable Federally recognized Alaska Native Tribes and ANCSA to identify eligible permit holders. Reference to blood quantum will be removed.
5. Empowers the state to promote and protect Silver Hand permit artists who's work represents a very significant economic contribution to the state.

Thanks you,
Vera Crews, Anchorage
Alaska State Council on the Arts

From: sonya kellihercombs [mailto:kellihercombs@hotmail.com]
Sent: Monday, April 02, 2007 12:08 PM
To: Sen. Gary Stevens
Subject:

Dear Senator Gary Stevens,
This letter is in support of the proposed update to the Silver Hand program, SB97. As a lifelong Alaskan and Alaska Native Artist I know the true need for an authentication program such as the Silver Hand. The proposed changes to the Silver Hand through SB97 will bring it into the next century. Our children and communities will be able to prosper through the use of this program for generations to come.
Thank you so much for your support of SB97.
Sincerely,
Sonya Kelliher-Combs

Tim Lamkin

From: L. Saunders McNeill [saunders_mcnell@eed.state.ak.us]
Sent: Thursday, May 03, 2007 9:42 AM
To: Tim Lamkin
Subject: FW: Senate Bill 97

Tim,

Thought you might like to see this. Just as point of background **John** lost his wife a number of years ago and moved back to Mekoryuk with his four children. **Incredible person.** His art income, in part, allows him to support his four children.

Saunders

From: OscarsFineArt [mailto:oscarsfineart@starband.net]
Sent: Wednesday, May 02, 2007 6:44 PM
To: Rep_Mark_Neuman@legis.state.ak.us
Cc: rex_shattuck@legis.state.ak.us; saunders_mcnell@eed.state.ak.us
Subject: Senate Bill 97

Honorable Representative Mark Neuman,

I am writing in support of Senate Bill 97 relating to the Silver Hand permit, "An Act relating to identification seals for certain articles created or crafted in the state by Alaska Native persons; relating to the Alaska State Council on the Arts; and making certain identification seal violations unfair trade practices."

I am a Silver Hand permit holder, and have been a participant for several years. I joined in hopes that the consumer of the "Alaska Native Handicraft" items may be able to distinguish fake art from the imitators who are not Native.

There is not enough support to the Silver Hand program from the State of Alaska that it has provided to the "Made in Alaska" insignia, and would require better language to enable support to the Silver Hand program. So that illegal production of the arts and crafts made by imitators will be enforced.

I recommend this first step to protecting rural communities who produce arts and crafts from illegal producers who take away our source of income in work-starved rural communities, and that if possible, offer better support by the state in enforcing the program.

John Oscar, Fine Artist
Oscar's Originals
PO Box 76
Mekoryuk, AK 99630-0076
(907) 827-8549 Studio
Web: www.oscarsoriginals.com
Email: oscarsfineart@starband.net

From: Jimmy Carlisle [mailto:kingisland99762@hotmail.com]
Sent: Thursday, May 03, 2007 11:44 PM
To: Rep_Mark_Neuman@legis.state.ak.us
Cc: rex_shattuck@legis.state.ak.us
Subject:

Honorable Rep. Neuman,

I support SB97 as it is written. Thank you for your consideration of this important legislation.

I have been part of the Silver program in the past, and when the chance arises, I do encourage other Native Artist to participate in the Silver Hand program. This program is a way for the Native Artist to insure the public that they are getting Authentic Native Crafts and something not made in some foreign country.

Thank you for your consideration with this matter.

Sincerely,
Jimmy Carlisle,
Vice President
King Island Native Corporation
And
Native Artist

Shosh Seligman

From: Carol Gelvin-Reymiller [carolgr@acsalaska.net]
Sent: Tuesday, April 24, 2007 8:44 AM
To: Rep. Mark Neuman
Cc: Sen. Gene Therriault
Subject: SB 97

Greetings Representative Mark Neuman,

The following note is correspondence I sent to Senator Therriault last week in regard to Senate Bill 97. I urge you and your fellow committee members to consider my opinion stated in that note concerning the Silver Hand designation. With state sponsored actions, an artist's genetic background should not be criteria for how art is presented. To put forth his/her ethnicity should be the choice and responsibility of the artist.

Hello Senator Therriault,

Today (Monday April 16, 2007) I read in the Fairbanks Daily News-Miner the discussion concerning the Silver Hand designation for artists (page B1). As an artist and as a person born in Alaska, I agree with your assessment of the designation. Separating one group of artists from another because of ethnicity is divisive.

Much of my sculptural art has dealt in part with our need to join together as a society to avoid discrimination and to work together for a common good. Art is an excellent tool for communicating ideas, and it is ironic that a designation of this type such as the Silver Hand is applied to one type of art produced by some Alaskans. As a unique place on the globe, we should encourage our artists to collectively express that uniqueness in their own particular ways. To that end, I think that the Made in Alaska designation is fine, if that is what tourism dictates, but I think that the Silver Hand designation is discriminatory. In addition, I believe the laws that stipulate that some artists can use certain materials while others cannot, based on ethnicity, is also discriminatory.

While the topic is not art education, I do feel that funding for teaching about art and its place in human society is very important. One can envision art as a language, and knowledge of art can speak volumes to those who can "read" it, no matter the background of the artist who produces the art.

Thank you, Senator Therriault, for the work you do for the interior.

I would like to repeat that I believe the Made in Alaska designation is probably the best way for tourists to find genuine Alaskan products. In addition, I feel strongly that a public who is educated about art is equally necessary to promote and market art. Perhaps art is a small part of the Alaskan economy, but it is a unique and vibrant part and capable of growth. If you point your legislative efforts toward inclusion and education, rather than exclusion (as with the Silver Hand), the public will be better served. Thank you all for your time and effort in Juneau.

Sincerely,
Carol Gelvin-Reymiller
1191 Dolphin Way
Fairbanks, Alaska 99709
907-474-9030
carolgr@acsalaska.net

Shosh Seligman

From: Andrei Chakine [achakine@ccthita.org]
Sent: Tuesday, May 08, 2007 4:37 PM
To: Rep. Mark Neuman
Cc: Rep. Carl Gatto; Rep. Kyle Johansen; Rep. Vic Kohring; Rep. Bob Lynn; Rep. Andrea Doll; Rep. Mike Doogan; Rep. Richard Foster; Rep. Mary Nelson; Rep. Reggie Joule; Rep. Woodie Salmon; Rep. Bill Thomas; Rep. Gabrielle LeDoux; Stephen Wade; Bill Martin; Andrei Chakine
Subject: SENATE BILL NO. 97
Attachments: image003.jpg; image001.jpg

COMMENTS ON SENATE BILL NO. 97

May 8, 2007



Attn: Representative Mark Neuman
Chair of House Committee on Economic Development
and Tourism

Dear Mr. Neuman,

On behalf of the Central Council of Tlingit & Haida Indian Tribes of Alaska (CCTHITA) and our 26,000 members, we are submitting the following comments on the SENATE BILL NO. 97, "An Act relating to the identification seals for certain articles created or crafted in the state by Alaska Native persons; relating to the Alaska State Council on the Arts; and making certain identification seal violations unfair trade practices."

We feel compelled to comment on the SB97 as it directly impacts our families in their efforts to achieve economic independence and self-sufficiency. The very nature of the Silver Hand Program goes to the heart of the preservation of Native Alaskan culture and heritage. Safeguarding the culture from crass commercialism and ensuring the perpetuation of native communities through quality economic development of that culture should be the highest goal of any legislation in this regard. This can only be achieved through legitimate, extended, and open discussions with the Native Alaskan communities.

We are of the opinion that affording the opportunity to comment or participate in legislative hearings concerning the proposed measure to all Native Alaskans that wish to do so is absolutely important and necessary. Therefore, we request that any action in regards to the SENATE BILL NO.97 is to be postponed until the next session, and that all Native Alaskans, especially those that are currently enrolled in the Silver Hand Program, are given a fair chance to voice their concerns and opinions in regards to the proposed law.

Please feel free to call on us if there is anything we can do to support your efforts as you address our concerns.

5/15/2007

President William E. Martin
Central Council of Tlingit & Haida Indian Tribes of Alaska

###

CCTHITA Contact:

Andrei Chakine, Manager (achakine@ccthita.org)

Stephen Wade, Economic Development Specialist (swade@ccthita.org)

Business & Economic Development Department

9097 Glacier Highway

Juneau, AK 99801

Ph: (907) 463-7121

Fax: (907) 463-7356

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5/15/2007

TONY KNOWLES
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ED 100
P.O. Box 110001
Juneau, Alaska 99811 GG01
(907) 465 3500
Fax (907) 465 3512

January 12, 1998

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

I am transmitting an Executive Order to formally transfer the authentic Native handicraft identification seal program, known as the "silver hand" program, from the Department of Commerce and Economic Development to the Alaska State Council on the Arts.

This transfer places the program in an arm of state government more closely allied with the artistic nature of the articles that bear the program's seal. The council's general oversight of other artistic endeavors should allow for smooth integration of the administration of the silver hand program. The transfer will result in better efficiency and more knowledgeable application of the statutory provisions.

I urge your support of this Executive Order to help streamline state government operations.

Sincerely,



Tony Knowles
Governor

1/21/95 TESTIMONY: Vernon Chimegakree/Alaska State Council on the Arts

Chairman Ivan and members of the Committee,

Thank you for this opportunity to address you about the Silver Hand Program.

The Alaska State Council on the Arts is in support of the Marketing Alaska recommendation to transfer the Silver Hand Program from the Department of Commerce and Economic Development to the Alaska State Council on the Arts.

The economic impact of the arts have been proven on a state and national level. In Alaska the arts are a viable industry with annual economic impact in the non-profit sector alone of over \$23.6 million. The importance of the arts industry is especially evident in rural Alaska where it may be a family's primary source of income.

ASCA has long recognized that communities and artisans need assistance in developing and marketing local and regional cultural opportunities. It provides grant funds, technical assistance and leadership to help develop the arts industry in Alaska. For example:

1. ASCA is in its third year of a partnership with Department of Community and Regional Affairs to support community-based efforts to diversify and strengthen rural economies through arts-related economic development projects. The ASCA Rural Arts Initiative Grant Program has funded three arts cooperatives being developed through the Association of Village Council Presidents in the Yukon Kuskokwim delta, the Tribal Council of St. Paul Island and the Tribal Council of Pt. Hope.

2. ASCA is co-sponsoring a technical assistance workshop February 18-20 for the planning and management of Alaska Native Museums and Culture Centers. The workshop will include sessions on the role of tourism, role of gift shops, collections management and exhibit planning.

3. Last fiscal year ASCA made over \$500,000 in grants to organizations and individuals. Every grant we issue supports Alaskan jobs and creates economic impact in the community it was awarded.

4. Master Artist and Apprenticeship program pairs apprentices desiring to pursue serious study of a Native Art with an acknowledged master artist. This program encourages the creation of high quality products by master artists in traditional native art forms.

The Silver Hand Program was established to authenticate Native arts for the retailers and consumers while protecting the work of native artists. The program began with good intentions but has languished due to lack of commitment and resources at the Department of Commerce and Economic Development. The Marketing Alaska task

force identified significant problems with the program calling it "outdated, vague and ineffective". The Silver Hand program has been repeatedly criticized for failing to carry out its obligations.

It is estimated that over 85% of art merchandise sold as native made is not authentic. In addition, native artists lack trust in the program and retailers are not educated on how to market Native art and crafts without misrepresenting the art and its cultural origin.

In response to the Governor's Marketing Alaska findings, it was recommended that the Alaska State Council on the Arts take over management of the Silver Hand Program. This program goes hand in hand with our existing Native Arts Program. As the Native Arts Program Director, I apply my art and language expertise as well as a statewide networking to enhance and build the program. Since the beginning of the fiscal year ASCA has devoted considerable staff resources to revitalizing this important program.

1. We convened a advisory committee of both native artists and retailers
2. We incorporated the Silver Hand program into statewide native arts outreach through exhibitions at major native conferences and gatherings as well as travel to major hub areas of the state.
3. We produced video public service announcements describing the program and the purpose of the silver hand tag.
4. We increased enrollment in the program by 50% to over 600 artists.
5. We contacted Federal Trade Commission to discuss enforcement issues.
6. We are working to make the Silver Hand program locally accessible by developing partnerships with Village Corporations.
7. We placed advertisements in major tourist publications alerting travelers to the importance of the silver Hand Tag when purchasing authentic native arts.

The Council feels strongly that the Silver Hand Program will be best served under the direction of the Alaska State Council on the Arts. We will seek the public and private resources necessary to enhance the economies of rural Alaska through arts-related programs like Silver Hand.

MARKETING



ALASKA

**The Governor's
Economic Development
Initiative**

1996 Summary

see #15



Cultural Resources Work Group Members

Co-Chairs

ALICE CROW
Native Student Services
University of Alaska Anchorage

RICK GOODFELLOW
KLEF Radio - Anchorage

Members

SARA JUDAY
Alaska Northwest Books

SUSIE BEVINS
IANA Inupiat Fine Artist

MARY STADUM
Southwest Alaska
Municipal Conference

PAT PETRIVELLI
Alaska Native Heritage Center

TIM WILSON
Alaska State Council on the Arts

JUDY BITTNER
Office of History & Archeology
Department of Natural Resources

STEVE LINDBECK
Alaska Humanities Forum

ALDONA JONAITAS
University Museum
University of Alaska Fairbanks

KATHY MAYO
Doyon Foundation Doyon Ltd

JEANNE KENNEDY
RuralCAP

THE HONORABLE
GEORGIANNA LINCOLN
Alaska State Senate

THE HONORABLE
EILEEN MACLEAN (incumbent)
Alaska House of Representatives

Staff

KATHLEEN METCALF
Department of Community and
Regional Affairs

CHUCK MCGEE
Department of Commerce and
Economic Development

Marketing Alaska

Cultural Resources Sector

Summary

Alaska's cultural resources give the state much vitality. A McDowell Group Report concludes that nonprofit arts activity supports 1,300 Alaska jobs with a payroll of over \$9 million and attracts \$12.6 million in grants and revenue. In one year, arts organizations held 3,000 events attended by more than two million people that generated \$23.5 million in spending in Alaska. The state has 52 active public and private historical societies and museums.

Each year more than one million people visit Alaska. Festivals, celebrations, and historic sites are popular. The Iditarod Sled Dog Race and the spring Inupiat whale hunt receive national attention. Four of the ten most visited tourist attractions are cultural resources — Ketchikan's totems, Skagway's Historic Gold Rush District, the Anchorage Museum of History and Art, and Sitka's Russian church and dancers.

Alaska's vibrant, dynamic, indigenous people and their art and crafts are significant visitor attractions. In recent years there has been a renaissance of Alaska Native art and crafts, and a growing pride and awareness of Alaska's unique, indigenous art.

Private and public efforts to create a sustainable cultural tourism industry are underway. As the 1995 White House Conference on Travel and Tourism demonstrated, cultural resources development and tourism are growing nationally and in Alaska. Cultural tourism is one of the fastest growing segments of the world travel industry. According to the Division of Tourism, the number of visitors to Alaska between 1992 and 1994 who sought cultural experiences increased by 27 percent. These tourists stay longer and buy art and crafts from local artists and artisans.

The in-state market for cultural tourism also has potential. Alaska's transient population provides an ever-changing group that can be encouraged to learn about Alaska's people, history, and art.

One advantage of cultural tourism is that it can be controlled. Particularly in rural areas, activities can be timed and patterned to minimally disrupt residents' lives and traditional activities.

Recommendations

Top priority

1 Develop the full potential of Alaska's cultural resources as a viable economic sector. As a first step, prepare a comprehensive strategic plan using the Marketing Alaska recommendations. Allocate an existing DTD position to coordinate this effort.

- Conduct a cultural resources marketing needs assessment and baseline survey.
- Create partnerships between Alaska schools and Alaska businesses and nonprofits to create jobs, emphasize development in under-served rural

areas, promote self-sufficiency, involve youth and elders, and focus resources in the community for appropriate culture-based economic development

- Evaluate cultural resources marketing programs in Hawaii, New Mexico, the Pacific Northwest, Greenland, Russia, and Canada.
- Coordinate state planning with locally developed plans.
- Establish Internet culture web sites with a calendar and information exchange.

2 Expand preschool, K-12, and post-secondary curricula in Alaska studies.

3 Support community projects to record and preserve language and transfer language skills. Take advantage of the Native American Languages Act of 1992 to develop Native language teaching materials and train Native speakers to use these materials in K-12 schools; encourage media broadcast in Native languages; compile, transcribe, and analyze oral tradition, history, and ethnographies; involve learners of all ages; and train teachers in the use of these materials.

4 Train educators to better understand the relationship between art, history, and culture in Alaska, and its tie to Alaska's economy.

5 Encourage hands-on experience-based learning in the arts, history, archaeology, and culture of Alaska. Establish cultural resource residency programs for high school students.

8 Develop cultural resources marketing tools. Elements might include:

- Targeted kits for cultural resource marketing. Kits could include how-to tips, templates, sample business marketing plans, and contacts.
- Integrated marketing of Alaska's cultural resources, with special pieces for festivals, performing arts, galleries, historical sites, museums and Alaska Native arts and crafts. Produce these materials in a variety of languages and formats.
- Demonstrations, shows, exhibits, and publications throughout the state to provide opportunities to display and sell products.
- Develop an "Alaskan author" logo program to identify books by Alaskans.

9 Establish a clearinghouse for information about Alaska's cultural resources.

- Maintain a database of Alaskan organizations, events, festivals, artists, gathering places, reputable wholesalers and retailers, and suppliers.
- Maintain a detailed annual calendar and solicit information from across the state.
- Maintain a database of contacts for technical assistance.
- Distribute information through the Internet.
- Obtain private sector underwriting through advertisement.

10 Develop press strategy and package to promote Alaska's cultural resources.

11 Recognize cultural resources through awards, publicity, displays, brochures, exhibits.

- Continue "Governor's Award for the Arts."
- Create a "Governor's Award for Literature."
- Create a "Governor's Award for the Humanities."
- Print and distribute artist and artisan profiles.
- Develop a video series on artists, writers, cultural resources organizations, and sites.

12 Endorse a "give five" campaign to promote donations of time and dollars to Alaska's cultural community. The goal should be to encourage Alaskans to give five percent (time and money) to cultural organizations of their choice.

13 Promote community workshops for retail buyers, producers, and consumers addressing culture, art forms, practices, history, and laws affecting traditional and other natural materials (e.g., Marine Mammal Protection Act).

Build consumer awareness of the differences between elephant and walrus ivory.

14 Form a Cultural Resources Commission.

- Advocate stable funding for state cultural resources programs.
- Include representation from public and private sectors, and urban and rural areas with at least 90 percent of the members from the private cultural resources sector. Members should be selected equally by the Governor and the Legislature.
- Develop a vision and plan for a cooperative public and private strategy for the cultural resources sector, with identifiable performance measures and a monitoring plan for state marketing programs and services within a year.
- Identify performance measures and monitor progress toward responsible protection, development, and marketing of cultural resources.

15 Revamp the Silver Hand program

- Place under the Alaska State Council on the Arts.
- Staff the program with professionals who are knowledgeable of art and crafts, customs, and Alaska Native cultures to provide adequate advocacy and to determine authenticity.
- Enact legislation to promote authentic art and curtail counterfeit art through education and sanctions.

- Review and enact Department of Commerce and Economic Development's Alaska Native Arts and Crafts Task Force recommendations for legislation and funding. Increase Alaska Native involvement and consumer education.
- Develop a cooperative public/private marketing strategy.

16 Encourage use of available space in vacant or under-used public buildings for studios. The space can be used to network, train, meet, and pass on tradition and art to the next generations, and to sell arts and crafts.

17 Move the Alaska State Council on the Arts (ASCA) and the Silver Hand program to a cultural resources entity in the Department of Commerce and Economic Development, or the Governor's Office.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

RECEIVED

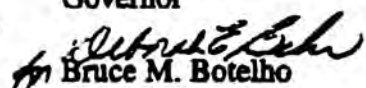
NOV 24 1997

P.O. BOX 110300
JULIA KALE, ALASKA 99511-0300
PHONE: (907) 465-3600
FAX: (907) 465-2075

November 24, 1997

MEMORANDUM

TO: Hon. Tony Knowles
Governor

FROM:  Bruce M. Botelho
Attorney General

RE: Attached final version of an Executive Order transferring the "silver hand" program from the Department of Commerce and Economic Development to the Alaska State Council on the Arts
Our file no: 773-98-0024

At the request of your legislative office, the final version of this Executive Order is attached.

We have prepared the Executive Order for introduction in the House and Senate.

No changes were made to the Executive Order; therefore, a new transmittal letter is not attached.

BMB:DEB:ng

cc w/enc: Jim Ayers, Chief of Staff
Office of the Governor

Jeff Bush
Dept. of Commerce & Economic Development

✓ Helen Howarth, Exec. Director
Alaska State Council on the Arts
Dept. of Education

0-GH2024.A

EXECUTIVE ORDER NO. 100

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with
2 AS 24.08.210, I order the following:

3 * Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient
4 administration to move the responsibility for administration of the authentic Native handicraft
5 identification seal program, known as the "silver hand" program, from the Department of
6 Commerce and Economic Development to the Alaska State Council on the Arts within the
7 Department of Education.

8 * Sec. 2. AS 44.27.050 is amended to read:

9 Sec. 44.27.050. Duties of council. The duties of the council are

10 (1) to stimulate and encourage throughout the state the study and
11 presentation of the performing, visual, and fine arts and public interest and participation;

12 (2) to make surveys, which are considered advisable, of public and private
13 institutions engaged in the state in artistic and cultural activities, including but not limited
14 to music, theatre, dance, painting, sculpture, architecture, and allied arts and crafts, and
15 to make recommendations concerning appropriate methods to encourage participation in
16 and appreciation of the arts to meet the legitimate needs and aspirations of persons in all
17 parts of the state;

18 (3) to take steps necessary and appropriate to encourage public interest
19 in the cultural heritage of the state and to expand the state's cultural resources;

20 (4) to encourage and assist freedom of artistic expression essential for the
21 well being of the arts;

22 (5) **[REPEALED]**

23 (6) to manage the art in public places fund;

24 (6) to administer the provisions of AS 45.65 relating to the
25 identification seal for authentic Native handicrafts made in the state and adopt

0-GH2024.A

1 regulations to carry out those provisions.

2 * Sec. 3. AS 45.65.020 is amended to read:

3 Sec. 45.65.020. Administration of chapter [COMMISSIONER TO
4 ADMINISTER]. The commissioner of commerce and economic development is
5 responsible for the administration of the provisions of AS 45.65.010 - 45.65.070 relating
6 to the emblem that is authorized under AS 45.65.010(b). including

7 (1) [SUBJECT TO AS 45.65.030(a), THE DESIGN, METHOD OF
8 AFFIXING, PREPARATION, ISSUANCE, AND CONTROL OF IDENTIFICATION
9 SEALS;

10 (2) THE ISSUANCE OF PERMITS TO AGENTS TO DISTRIBUTE
11 THE SEALS;

12 (3)] the supervision of the use of the emblem [SEALS AND EMBLEMS];
13 (2) [(4)] subject to AS 45.65.030(c), the design, issuance, and control of
14 emblems;

15 (3) [(5)] the issuance of permits to agents to issue permits to use the
16 emblems; and

17 (4) [(6)] the enforcement of AS 45.65.010 - 45.65.070 regarding the
18 emblem authorized under AS 45.65.010(b).

19 * Sec. 4. AS 45.65.020 is amended by adding a new subsection to read:

20 (b) The Alaska State Council on the Arts (AS 44.27.040) is responsible for the
21 administration of the provisions of AS 45.65.010 - 45.65.070 relating to the identification
22 seal for authentic Native handicrafts made in the state, including

23 (1) subject to AS 45.65.030(a), the design, method of affixing,
24 preparation, issuance, and control of identification seals;

25 (2) the issuance of permits to agents to distribute the seals;

26 (3) the supervision of the use of the seals; and

27 (4) the enforcement of AS 45.65.010 - 45.65.070 regarding the
28 identification seals.

29 * Sec. 5. AS 45.65.030(c) is amended to read:

30 (c) The official emblem for an article that is made in the state is a design approved
31 by the commissioner under AS 45.65.020(a)(2) [AS 45.65.020(4)] that depicts a mother

O-GH2024.A

1 bear with a cub and states the words "Made in Alaska."

2 * Sec. 6. AS 45.65.040 is amended to read:

3 **Sec. 45.65.040. Identification seal and identification seal agent permits. (a)**

4 The identification seal authorized under AS 45.65.010(a) may only be used after receiving
5 a permit from the council [COMMISSIONER] or from an agent who possesses a current
6 permit under (b) of this section.

7 (b) A resident of the state may apply to the council [COMMISSIONER] for a
8 permit as agent to issue permits to use the identification seals described under
9 AS 45.65.030(a) in the state. The council [COMMISSIONER] may examine or
10 investigate an applicant to determine whether the applicant has sufficient knowledge of
11 handicrafts, customs, and populace of the area in which the applicant resides to identify
12 authentic Native handicraft, and may issue permits to qualified applicants. The permit may
13 limit the authority of the agent to a certain geographic area or to a particular type of
14 handicraft.

15 (c) The council [COMMISSIONER] shall establish forms and fees for the
16 applications and permits to be used or issued under this section, the period for which the
17 permits are valid, and the procedures for renewing the permits.

18 (d) Before issuing a permit for an article under this section, the council
19 [COMMISSIONER] or the identification seal agent shall determine that the article is
20 eligible for the identification seal.

21 (e) An identification seal agent may report alleged violations of AS 45.65.010 -
22 45.65.070 regarding identification seals to the council [COMMISSIONER].

23 * Sec. 7. AS 45.65.045(b) is amended to read:

24 (b) A resident of the state may apply to the commissioner for a permit to act as
25 an agent to issue permits to use the emblem. An agent may report alleged violations of
26 AS 45.65.010 - 45.65.070 regarding emblems to the commissioner.

27 * Sec. 8. AS 45.65.070 is amended by adding a new paragraph to read:

28 (6) "council" means the Alaska State Council on the Arts (AS 44.27.040).

29 * Sec. 9. TRANSITION. (a) Litigation, hearings, investigations, and other proceedings
30 pending under a law amended by this Order, or in connection with functions transferred by this
31 Order, continue in effect and may be continued and completed notwithstanding a transfer or

Committee Minutes

House COMMUNITY AND REGIONAL AFFAIRS Minutes

HOUSE COMMUNITY AND REGIONAL AFFAIRS
STANDING COMMITTEE
January 21, 1998
8:05 a.m.

MEMBERS PRESENT

Representative Ivan Ivan, Chairman
Representative Fred Dyson
Representative Jerry Sanders
Representative Al Kookesh
Representative Reggie Joule

MEMBERS ABSENT

Representative Scott Ogan
Representative Joe Ryan

COMMITTEE CALENDAR

EXECUTIVE ORDER NO. 100

Moving the "Silver Hand" Program from DCED to DOE

- HEARD AND HELD

(* First public hearing)

PREVIOUS ACTION

No previous action to record

WITNESS REGISTER

TOM LAWSON, Juneau Section Chief
Division of Trade and Development
Department of Commerce
and Economic Development
P.O. Box 110804
Juneau, Alaska 99811-0904
Telephone: (907) 465-2017

POSITION STATEMENT: Explained Executive Order 100.

VERNON CHIMEGALREA, Director
Native Arts Program
Alaska State Council on the Arts
Department of Education
411 West Fourth Avenue, Suite 1E
Anchorage, Alaska 99501
Telephone: (907) 269-6610

POSITION STATEMENT: Testified in support of Executive Order 100.

HELEN HOWARTH, Executive Director
Alaska State Council on the Arts
Department of Education
411 West Fourth Avenue, Suite 1E
Anchorage, Alaska 99501

POSITION STATEMENT: Testified on Executive Order 100.

ACTION NARRATIVE

TAPE 98-1, SIDE A
Number 0001

CHAIRMAN IVAN IVAN called the House Community and Regional Affairs Standing Committee meeting to order at 8:05 a.m. Members present at the call to order were Representatives Ivan, Dyson, Sanders and Kookesh. Representative Joule arrived at 8:07 a.m.

EO 100 - MOVING THE "SILVER HAND" PROGRAM FROM DCED TO DOE

Number 0053

CHAIRMAN IVAN announced the committee would hear Executive Order 100 which moves the "Silver Hand" Program from the Department of Commerce and Economic Development to the Department of Education. He said according to AS 24.08.210, the legislature has 60 days, until March 12, 1998, to disapprove the order if it so chooses. He indicated that the committee would hear a briefing from the departments.

Number 0132

TOM LAWSON, Juneau Section Chief, Division of Trade and Development, Department of Commerce and Economic Development, came before the committee. He stated he would give a brief overview of the program, talk about the history of the program within the Department of Commerce and Economic Development and also speak about why the department believes the program should be moved to the Alaska State Council on the Arts (ASCA) within the Department of Education. Mr. Lawson noted the director of the council, Helen Howarth, was listening via teleconference.

Number 0172

MR. LAWSON informed the committee members that the Silver Hand Program certifies handicrafts as being made by a Native Alaskan, Eskimo, Aleut or Indian. He noted the emblem is a silver hand with a black oval background. Mr. Lawson explained that a product that shows up in a store with the emblem on it is supposed to be guaranteed that it is made by a Native.

MR. LAWSON referred to the operation of the program and said there are four basic areas that has to be covered when the program is being run. The first area is the processing of the permits, which ensures that the applicant is indeed eligible to be part of the program. The second area is the education of those Native handicrafters that are not yet in the program or who do not know of the program. He said they want to get those people to be a part of the program. Mr. Lawson explained the third area is the promotion of the program so that when tourists, or any other buyer of Native handicrafts, goes into stores that sell handicrafts that they specifically ask for handicrafts with the emblem on them. Mr. Lawson explained the fourth and last part of the operation of the program is basically the enforcement aspects. He said there are people that try to counterfeit Native handicrafts. They try to represent handicrafts as being authentic Native handicrafts.

Number 0325

MR. LAWSON informed the committee members that the program was set up in statute in 1961. It has been changed a few times since then, the most recent being in 1993. At that point, regulations were set up to clarify and strengthen the eligibility rules and to make it easier to have enforcement for anyone who violated the program. Mr. Lawson stated that in fiscal year '97, the department's budget for the program was \$5,000. He said over the years, the Silver Hand Program has had its "ups and downs" in the Department of Commerce and Economic Development. Over the past several years, they have had to really scrape money together to pay for the printing of the stickers and tags that are issued, and to do whatever they can in terms of promoting the program. Mr. Lawson said a very small portion of one staff person's time was assigned to the program. He said they weren't able to commit the resources to the program that it needed.

Number 0446

MR. LAWSON said a year ago, there were about 600 Native "handicrafters" that were part of the program. There is also a part of the program where you can be a "Silver Hand" agent which would make you eligible to issue individual permits. There were 27 agents. He noted those figures are about a year old.

Number 0479

MR. LAWSON referred to the terms of how the department decided to move the program to the ASCA and explained in 1995, the Governor started the Marketing Alaska Program which was basically a public/private sector effort. The Governor named a seven sector working group made up of public and private sector leaders. One of the working groups that the Governor named was the cultural resource sector working group which was made up of about 12 to 15 people who were leaders in the arts and crafts industry in Alaska and were cultural experts. Their recommendation, after studying several issues within their charge, was that the Silver Hand Program was much better suited to be in the ASCA than in the Department of Commerce and Economic Development. Their thought was that it would probably thrive more with the council than it did in the department.

MR. LAWSON referred the committee members to information titled, "Marketing Alaska, The Governor's Economic Development Initiative, 1996 Summary." He said recommendation 15 basically says that the Silver Hand Program should be moved to the ASCA. Mr. Lawson said he would be happy to answer any questions the committee may have.

Number 590

CHAIRMAN IVAN said the bottom line in reviewing the transfer is to try and protect the program and let it be where it will have the most support. He said he wants the program to stay in a recognized state department and it should continue, as it does have some economic impacts on some of the artists from communities throughout the state. Chairman Ivan noted he isn't against the order, but he wants make sure the Silver Hand Program continue to be a viable program. He said there has been a misunderstanding that the legislature was attacking the program and that is far from the truth. They just want to make sure the program is being handled correctly.

Number 0756

REPRESENTATIVE FRED DYSON asked if it is Chairman Ivan's intention to act on the order.

CHAIRMAN IVAN stated his intention is to basically get a briefing, learn what the program is and learn why the transfer is being suggested.

Number 0799

REPRESENTATIVE DYSON asked Chairman Ivan if the committee does

nothing, the transfer will happen.

CHAIRMAN IVAN responded that is correct. If the committee opposes the action, the committee would have to introduce a concurrent resolution and pass it. It would have to go through the legislative process like legislation does.

Number 0838

REPRESENTATIVE DYSON asked if the artists have been notified that this may happen. He inquired if the artists have any problems with the transfer, would the committee hear about them.

CHAIRMAN IVAN said there are two parts. He said he doesn't know if the Department of Commerce and Economic Development has notified the artists. He referred to the legislative hearing being noticed, but said he thinks there should be more committee time to address Representative Dyson's concern.

REPRESENTATIVE DYSON said his recommendation would be that the committee make an effort to get the word out through the media, journals, et cetera, to let the artists know this is pending and they should notify the committee if they have concerns.

Number 0958

REPRESENTATIVE ALBERT KOOKESH said he doesn't mean to be unfair to anybody, but he believes time can be wasted by letting the order drag on. He stated it makes sense for the program move to the ASCA. Representative Kookesh said he thinks Native artists could care less which department the program is in as long as the program is in place. He asked why the committee should have hearing after hearing on something that is so simple. Representative Kookesh indicated if there are 600 artists in the program, he probably knows at least one-third of them. Nobody has contacted him with concerns about moving the program.

Number 1011

REPRESENTATIVE REGGIE JOULE said Mr. Lawson mentioned there is one staff person who puts part of their time into the program and asked at what level.

MR. LAWSON responded that the department has done a contract with the council for this year to actually informally have them operate the program. The order is the final step to segregate the statute from the Department of Commerce and Economic Development to the council's statute. He said the council is currently operating the program. Mr. Lawson said he is pretty sure that every one of the Silver Hands Program people, who are certified, were notified of

the change several months ago. He said when the department operated the program, it was a range 20 and they probably allocated less than 5 percent of their time towards the program. Mr. Lawson also noted there was also some clerical assistance. The department believed that not enough was being done to really push the program.

Number 1112

REPRESENTATIVE JOULE referred to the Governor's Economic Development Initiative for Marketing Alaska and said there are three different areas. There are priorities, action items and those things where they believed further dialogue was needed which is in the recommendations 1 through 17. He said while recommendation 15 did call for revamping of the Silver Hand Program, that still fell under recommendation 3. He said, "Any further dialogue was needed because I guess there just wasn't consensus among the people that were involved." He read recommendation 17, "Move the Alaska State Council on the Arts and the Silver Hand program to a cultural resources entity in the Department of Commerce and Economic Development...." He asked if that was just something to look at because people couldn't make up their minds of what to do. Representative Joule said one of the suggestions is to move the program to the council, but another suggestion is to move the council back to the Department of Commerce and Economic Development.

Number 1195

MR. LAWSON said, "There was a lot of discussion about that and I think that the arts council has had its ups and downs with where it is and I think at the time that was drafted it was still - the arts council - I think the people who studied - studied the cultural resources, issues and opportunities at that point felt that the arts council might actually thrive in commerce. Now since that recommendation was made, I think that the feeling is more that it's fine where it is and so that's why at this point in time there isn't any effort to transfer the arts council."

Number 1245

REPRESENTATIVE JERRY SANDERS asked Mr. Lawson if he believes the Silver Hand Program will receive more money or more dedicated facilities if it is in the Department of Education than it does where it currently is.

MR. LAWSON stated it is the department's feeling that the answer is "yes." The reason is that they feel the arts council focuses on arts. They have staff who are currently operating in the program and are experts on Native handicrafts which the Department of Commerce and Economic Development never had. Mr. Lawson said he

believes the State Council on the Arts is more geared and poised toward looking for other sources of funding, such as federal grants, to operate their various programs in the world of art. He said that is what the program needs. Mr. Lawson said his department didn't have staff to pro-actively chase other sources of funding.

Number 1343

REPRESENTATIVE SANDERS said he sees the program as a commercial enterprise. He said he doesn't see how it fits as well under the council. He said when you talk about more money and facilities being dedicated to it, it is his impression that the arts, nationally and statewide, are in an ebbing situation. The support hasn't been there over the last four to six years and he doesn't see that changing. Representative Sanders said he believes it is connected to commerce. It is an art, but the object of the art is the commerce. He said, "They're not doing this to grow their culture, they're doing it to make some money."

Number 1262

MR. LAWSON said he is hopeful that staff for the ASCA can convince him otherwise. He stated he can only speak about where the program was over the last several years. He noted in the late 1980s, the program was inactive for awhile. The biggest criticism is the lack of enforcement. There has been a growing problem with what is called "knock-off art" where artisans from other countries are imported into the state or the Lower 48 and they basically imitate Native art. He said he hopes the ASCA can put more resources towards the program than the department was able to do.

Number 1476

REPRESENTATIVE SANDERS stated he is in favor of the Silver Hand Program. He said he just has to be convinced that the program would be better off in the Department of Education.

Number 1487

REPRESENTATIVE KOOKESH said, "I just wanted to make a comment about the question of commerce versus the question of art. I would probably be concerned, as my colleague here, if the state was giving those artists resources from the state. Then I would probably say 'yeah, maybe it should stay in the Department of Commerce.' But all this is is a Silver Hand Program which is used for identifying Native art. The state does not give any resources to these artists. The only thing the state does is just spend a little money to have the silver hand printed. The question then is a question of art. It just seems to me to make more sense to have

something -- this kind of a program in an area that people are interested and involved and want to see the program work. And it doesn't matter to me whether it's under the Department of Education, just that it's with the council of arts in the state of Alaska. That makes a lot more sense to me. Like I say, if they were getting money from the state, hey, I think it should stay in Department of Commerce myself, but they're not. This is not a finance program, it's an art program."

Number 1547

REPRESENTATIVE DYSON said he appreciates knowing the participants in the Silver Hand Program have been notified of the change. He indicated the bill just confirms what has been the practice. Representative Dyson said he believes Representative Kookesh has made it clear that all the council is doing is certifying the authenticity of handicrafts and they aren't doing much promotion. He said, "If the people who are doing it like it to be transferred and the artisans have been notified and have not raised any objections, it doesn't seem to me that we should either. But I am comforted by the Chair telling us that if indeed a whole bunch of objections show up, we have some time to rectify the situation so let's move."

Number 1625

VERNON CHIMEGALREA, Director, Native Arts Program, Alaska State Council on the Arts, Department of Education, testified via teleconference from Anchorage. He read the following statement into the record:

"Thank you for this opportunity to address you about the Silver Hand Program.

"The Alaska State Council on the Arts is in support of the Governor's Marketing Alaska recommendation to transfer the Silver Hand Program from the state Alaska Department of Commerce and Economic Development to the Alaska State Council on the Arts.

"The economic impact of the arts have been on a state -- have been proven on a state and national level. In Alaska, the arts are a viable industry with an annual income or an annual economic impact over \$23.5 million. The importance of the arts industry is especially evident in rural Alaska where it may be a family's primary source of income.

"ASCA has long recognized that communities and artisans need assistance in developing and marketing local and regional cultural opportunities. It provides grant funds, technical assistance and leadership to help develop the arts industry in Alaska. For

example, ASCA is in its third year of a partnership with Department of Community and Regional Affairs to support community-based efforts to diversify and strengthen rural economies through arts-related economic development projects. The ASCA Rural Arts Initiative Grant Program has funded three arts cooperatives being developed through the Association of Village Council Presidents in the Yukon-Kuskokwim Delta, the Tribal Council of St. Paul Island and in the future the Tribal Council of Pt. Hope.

"ASCA is co-sponsoring a technical assistance workshop in February for the planning and management of Alaska Native Museums and Culture Centers. The workshop will include sessions on the role of tourism, role of gift shops, collections management and exhibit planning.

"Last fiscal year ASCA made over \$500,000 in grants to organizations and individuals. Every grant we issued supports Alaskan jobs and creates economic impact in the community it was awarded.

"The Master Artist and Apprenticeship Program pairs apprentices. This is one of our other programs and it provides for serious study of a Native art with acknowledged master artists. This program encourages the creation of high quality products by master artists in traditional Native art forms.

"The Silver Hand Program was established to authenticate Native arts for the retailers and consumers while protecting the work of Native artists. The program began with good intentions. It has languished due to lack of commitment and resources at the Department of Commerce and Economic Development. The Governor's Marketing Alaska task force identified significant problems with the program calling it 'outdated, vague and ineffective.' The Silver Hand Program has been repeatedly criticized for failing to carry out its obligations.

"It is estimated that over 85 percent of art merchandise sold as Native made is not authentic. In addition, Native artists lack trust in the program and retailers are not educated on how to market Native arts and crafts without misrepresenting the art and its cultural origin.

"In response to the Governor's Marketing Alaska findings, it was recommended that the Alaska State Council on the Arts take over management of the Silver Hand Program. This program goes hand in hand with our existing Native Arts Program. As the Native Arts Program director, I apply my art and language expertise as well as a statewide networking to enhance and build the program. Since the beginning of the fiscal year, ASCA has devoted considerable staff resources to revitalize this important program. To begin, we

convened the advisory committee of both Native artists and retailers. We incorporated the Silver Hand Program into a statewide Native arts outreach through exhibitions at major conferences, for example, the AFN [Alaska Federation of Natives] Convention, the (Indisc.) Conference, and such. And as well as our travel -- we incorporate as well as our travel to hub areas for other travel purposes. We've produced video public service announcements describing the program and the purpose of the Silver Hand Program. We've increased enrollment in the program by 50 percent to over 600 artists. We contacted the Federal Trade Commission to discuss enforcement issues and are working to make the Silver Hand Program locally accessible by developing partnerships with the village corporations. We've placed advertisements in major tourist publications alerting travelers to the importance of the Silver Hand tag when purchasing authentic Native arts. And we've also publicized the announcement in our 'communica' which comes out on a (indisc.) monthly basis.

"The council feels strongly that the Silver Hand Program will be best served under the direction of the Alaska State Council on the Arts. We will seek the public and private resources necessary to enhance the economies of rural Alaska through arts-related program like the Silver Hand Program."

MR. CHIMEGALREA informed the committee members that the council has received applications from a group of Chevak High School students in regards to the Silver Hand Program. He thanked the committee for listening to him and offered to answer questions.

Number 1894

REPRESENTATIVE JOULE said it sounds like not only does Mr. Chimegalrea have a commitment for putting time and financial resources into this effort, but they have already been doing that.

MR. CHIMEGALREA explained that what they have done is they have taken a percentage of his existing pay and staff time and incorporated the Silver Hand Program into existing programs.

REPRESENTATIVE JOULE said, "Within the Department of Commerce and Economic Development, you know, understanding that this Silver Hand is to certify authentic Native art. Was there a Native person working with the program?"

Number 1935

MR. LAWSON responded in the negative.

REPRESENTATIVE JOULE asked if the program was to move to the council, would there be a Native person working with the program.

MR. CHIMEGALREA answered in the affirmative and added the Native Arts Program director would be working with the program.

Number 1962

HELEN HOWARTH, Executive Director, Alaska State Council on the Arts, Department of Education, testified via teleconference from Anchorage. She informed the committee that the council has a dedicated staff person position devoted to Native arts and it is one of the only staff positions within the agency. She stated that Native arts and Native arts development is a very important part of their mission and an important part of what the council does.

Number 1986

CHAIRMAN IVAN thanked Mr. Chimegalrea and Ms. Howarth for their participation. He announced he would hold the executive order. He said it would be addressed in the future. He asked the committee members if they hear from artists from their districts who have recommendations to improve the program to inform him about them.

Number 2036

REPRESENTATIVE JOULE said the order would be held for the purpose of trying to reach some of the artists around the state. He asked if there will be an opportunity for action.

CHAIRMAN IVAN said the committee does have an opportunity for action. If action isn't taken on the executive order, it would go forward. If there is opposition, then action needs to come out in the form of a resolution. He thanked everyone for their participation.

ADJOURNMENT

Number 2083

CHAIRMAN IVAN adjourned the House Community and Regional Affairs Standing Committee meeting at 8:37 a.m.

Committee Minutes**House LABOR & COMMERCE Minutes****HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

January 21, 1998

3:34 p.m.

MEMBERS PRESENT

Representative Norman Rokeberg, Chairman
Representative John Cowdery, Vice Chairman
Representative Bill Hudson
Representative Tom Brice

MEMBERS ABSENT

Representative Jerry Sanders
Representative Joe Ryan
Representative Gene Kubina

COMMITTEE CALENDAR

* HOUSE BILL NO. 247

"An Act relating to escrow accounts; and providing for an effective date."

- HEARD AND HELD

EXECUTIVE ORDER NO. 100

Moving The "Silver Hand" Program From DCED to DOE

- HEARD AND HELD

(* First public hearing)

PREVIOUS ACTION

BILL: HB 247

SHORT TITLE: REGULATION OF ESCROW ACCOUNTS

SPONSOR(S): REPRESENTATIVES(S) ROKEBERG BY REQUEST

Jrn-Date	Jrn-Page	Action
04/11/97	1080	(H) READ THE FIRST TIME - REFERRAL(S)
04/11/97	1080	(H) LABOR & COMMERCE

Number 0224

CHAIRMAN ROKEBERG stated the next item of business, EO 100, Moving the "Silver Hand" Program from DCED to DOE.

Number 0292

TOM LAWSON, Acting Director of Administrative Services, Division of Trade and Development, Department of Commerce and Economic Development (DCED), came forward to testify.

MR. LAWSON stated he would like to do three things: 1) briefly describe the Silver Hand Program, 2) talk about its history with the DCED, and 3) explain the recommendation and reasons for moving the program to the Alaska State Council on the Arts (ASCA).

Number 0310

MR. LAWSON said that the Silver Hand Program is represented by the silver hand on a black oval. The intent of the program is to certify that any handicraft bearing the seal was crafted in Alaska by an Alaskan Eskimo, Aleut or Indian. He commented that the seal is intended to be a guarantee to a consumer of Native handicrafts that the handicraft was indeed crafted by a Native person.

Number 0340

MR. LAWSON stated the program was enacted in state law in 1961. There have been some small changes over the years, most recently in 1993, when the definition of Alaska Native was clarified. He added that authorization to implement regulations and clarification of allowed enforcement actions were also made at that time.

Number 0360

MR. LAWSON noted four areas of program operation: 1) Certification of applicant eligibility - does he or she meet the definition of an Alaska Native? 2) Education - educating Native handicrafters that this program is available and may help them market their crafts better. 3) Promotion - making consumers of Native handicrafts aware of this program so that they request handicrafts with the program sticker in order to avoid purchasing counterfeits. 4) Enforcement of any violations that may occur.

Number 0437

MR. LAWSON stated the DCED has had the program since 1961. In fiscal year 1997, DCED had \$5,000 budgeted for the program, an amount they felt was woefully inadequate. Mr. Lawson noted the DCED has never truly had a professional staff person with expertise

in Native handicrafts to advocate for the program. When there has been funding available for the program and the department has been able to assign staff, allocated staff time has been minuscule.

MR. LAWSON said, at the end of 1996, the program contained approximately 600 individual Native artists and about 27 Silver Hand agents. Mr. Lawson noted a program provision allowing individuals to become Silver Hand agents. These agents are then able to issue Silver Hand permits.

Number 0494

MR. LAWSON stated, since last fall, the DCED has contracted with the ASCA to operate the program. He referred to "Marketing Alaska, The Governor's Economic Development Initiative, 1996 Summary." The initiative's Cultural Resources Work Group stated, in their recommendation 15, that the Silver Hand Program is better suited to the ASCA. He noted this transfer is the intent of EO 100.

Number 0555

REPRESENTATIVE JOHN COWDERY asked if the participating artists were charged fees.

Number 0563

MR. LAWSON replied that there are no fees for individual artists; however, there is a fee to become a Silver Hand agent. Agents are typically the retail gift shop owners and the wholesalers of Native handicrafts. The Silver Hand agent is empowered, based on their qualifications, to place a Silver Hand sticker or tag on a piece of artwork if they know for a fact, and will guarantee, it was produced by a Native artisan. The fee is \$200 for a three-year Silver Hand agent authorization.

Number 0613

REPRESENTATIVE COWDERY noted Mr. Lawson's comment that the law defining Alaska Native was clarified in 1993. He presented the scenario of a Native man married to a non-Native woman who both contribute to a product. He asked if that product would be considered a Native handicraft.

Number 0638

MR. LAWSON stated, in the strictest interpretation of the law and the regulations, that if a non-Native person worked on a handicraft then the Silver Hand sticker should not be applied. He noted difficulties with enforcement.

Number 0667

REPRESENTATIVE HUDSON asked Mr. Lawson to again define Silver Hand agent.

Number 0676

MR. LAWSON stated, again, that the Silver Hand agent is a person who is authorized to do two things. The agent can personally affix a Silver Hand sticker and tag to a handicraft if the agent has full knowledge that the artisan is an Alaska Native. An agent can also authorize an individual to be part of the Silver Hand Program as an individual artist.

Number 0726

REPRESENTATIVE HUDSON stated, "I guess what I'm trying to figure out -- any time I see something here where we're transferring, in this particular case, a very pronounced program that obviously has been developed over time to have a value. That is, that if you're going to have the Silver Hand, you're going to have sort of a statement of higher value somewhere along the line, ... it signifies authenticity."

REPRESENTATIVE HUDSON noted he was trying to determine if the Silver Hand Program dealt more with commodity or art. He stated that it seems the program should rightfully be in the DCED if it was more concerned with commodity, but it should be under the ASCA if it dealt more with art. Representative Hudson expressed some doubt, looking at long-range program cuts, that the ASCA would continue to exist in the future. He commented on the possibility of a private artists' council without government involvement.

Number 0819

REPRESENTATIVE HUDSON asked if the Governor felt, in this instance, that moving the Silver Hand Program would allow for additional funding by the legislature.

Number 0825

MR. LAWSON stated that the arts council has a full-time Native arts and crafts person who travels all through the state working with Native artisans; this person in a good position to inform the Native artist community about the program. The ASCA also fundraises. He noted, unlike the DCED, the arts council is poised, and has the expertise, to research federal grants for Native handicrafts and pursue funding from private foundations. Mr.

Lawson stated, in his opinion, no one in this era is looking to the legislature for additional funding.

Number 0884

REPRESENTATIVE HUDSON asked how much funding would be considered necessary to reach the Silver Hand Program goals?

Number 0917

MR. LAWSON stated he would rather let the witnesses speaking for the ASCA answer that question. He noted the amount would probably be more than the DCED would be able to transfer to the arts council.

Number 0924

CHAIRMAN ROKEBERG asked if the \$5,000 budgeted to the program paid for the actual decals, seals and tags.

Number 0932

MR. LAWSON answered that \$5,000 has covered that cost in the past. If the supply of stickers and tags was sufficient, the DCED did a modest amount of advertising, attempting to reach tourists coming to Alaska so that they would be aware of the program and seek out genuine Native handicrafts with stickers.

Number 0955

CHAIRMAN ROKEBERG asked why EO 100 provides for the transfer of the seal but not the emblem.

Number 0968

MR. LAWSON explained that the Made in Alaska Program and the Silver Hand Program are "intertwined" in the statute. Whenever the term emblem was used, it referred to the Made in Alaska Emblem; the Silver Hand was always referred to as the Silver Hand Seal.

Number 1008

CHAIRMAN ROKEBERG noted the provision in Alaska Statute 45.65.020 that the Commissioner of Commerce is responsible for the supervision of the use of the emblem.

Number 1025

MR. LAWSON explained the emblem in that instance refers to the Made in Alaska Emblem and Program, which are staying with the DCED.

Number 1053

FRED SMITH, Economic Development Planner, Association of Village Council Presidents (AVCP), testified via teleconference from Bethel. He stated he works for the 50 or so communities in Southwest Alaska.

MR. SMITH stated that the AVCP supports EO 100. Given the history of the Silver Hand Program at the DCED, he noted the program has never really reached any of its intentions. He said that there is an opportunity with this move for the Silver Hand Program to more fully meet some of those intentions.

MR. SMITH stated that moving the Silver Hand Program will help the Alaska Native artists who use the program, the businesses who buy and sell Native arts and crafts, and the customers of Native arts and crafts.

Number 1128

MR. SMITH noted he disagreed with Representative Hudson's feeling that the program should stay with the DCED for three reasons: 1) the program's history, 2) the program's potential value, and 3) the ASCA is the best-suited existing state structure for the Silver Hand Program.

Number 1203

VERNON CHIMEGALREA, Native Arts Program Director, Alaska State Council on the Arts, testified via teleconference from Anchorage. He read the following statement into the record:

"The Alaska State Council on the Arts is in support of the [Governor's] Marketing Alaska recommendation to transfer the Silver Hand Program from the Department of Commerce and Economic Development to the Alaska State Council on the Arts.

"The economic impact of the arts have been proven on a state to national level. In Alaska, the arts are a viable industry with annual economic impact to the nonprofit sector alone of over \$23.5 million. The importance of the arts industry is especially evident in rural Alaska where it may be a family's primary source of income.

Number 1257

"ASCA, the Alaska State Council on the Arts, has long recognized that communities and artisans need assistance in developing and marketing local and regional cultural opportunities. It provides

grant funds, technical assistance and leadership to help develop the arts industry in Alaska. For example, ASCA is in its third year of a partnership with the Department of Community and Regional Affairs to support community-based efforts to diversify and strengthen rural economies through arts-related economic development projects."

Number 1295

CHAIRMAN ROKEBERG noted the committee was in possession of Mr. Chimegalrea's statement and it would be entered into the record. In the interests of time Chairman Rokeberg asked Mr. Chimegalrea to sum up his comments.

Mr. Chimegalrea submitted the following statement for the record:

The ASCA Rural Arts Initiative Grant Program has funded three arts cooperatives being developed through the Association of Village Council Presidents in the Yukon-Kuskokwim Delta, the Tribal Council of St. Paul Island and the Tribal Council of Pt. Hope.

2) ASCA is co-sponsoring a technical assistance workshop February 18 to 20 for the planning and management of Alaska Native Museums and Culture Centers. The workshop will include sessions on the role of tourism, role of gift shops, collections management and exhibit planning.

3) Last fiscal year ASCA made over \$500,000 in grants to organizations and individuals. Every grant we issue supports Alaskan jobs and creates economic impact in the community it was awarded.

4) Master Artist and Apprenticeship Program pairs apprentices desiring to pursue serious study of a Native Art with an acknowledged master artist. This program encourages the creation of high quality products by master artists in traditional Native art forms.

The Silver Hand Program was established to authenticate Native arts for the retailers and consumers while protecting the work of Native artists. The program began with good intentions but has languished due to lack of commitment and resources at the Department of Commerce and Economic Development. The Marketing Alaska task force identified significant problems with the program calling it "outdated, vague and ineffective." The Silver Hand Program has been repeatedly criticized for failing to carry out its obligations.

It is estimated that over 85 percent of art merchandise sold as Native made is not authentic. In addition, Native artists lack

trust in the program and retailers are not educated on how to market Native arts and crafts without misrepresenting the art and its cultural origin.

In response to the Governor's Marketing Alaska findings, it was recommended that the Alaska State Council on the Arts take over management of the Silver Hand Program. This program goes hand in hand with our existing Native Arts Program. As the Native Arts Program director, I apply my art and language expertise as well as a statewide networking to enhance and build the program. Since the beginning of the fiscal year, ASCA has devoted considerable staff resources to revitalize this important program.

1) We convened the advisory committee of both Native artists and retailers. 2) We incorporated the Silver Hand Program into a statewide Native arts outreach through exhibitions at major Native conferences and gatherings as well as travel to major hub areas of the state. 3) We produced video public service announcements describing the program and the purpose of the Silver Hand tag. 4) We increased enrollment in the program by 50 percent to over 600 artists. 5) We contacted Federal Trade Commission to discuss enforcement issues. 6) We are working to make the Silver Hand Program locally accessible by developing partnerships with village corporations. 7) We placed advertisements in major tourist publications alerting travelers to the importance of the Silver Hand tag when purchasing authentic Native arts.

The council feels strongly that the Silver Hand Program will be best served under the direction of the Alaska State Council on the Arts. We will seek the public and private resources necessary to enhance the economies of rural Alaska through arts-related program like Silver Hand.

Number 1301

MR. CHIMEGALREA summed up the rest of his statement for the committee. He noted that the Silver Hand Program authenticates Native arts for retailers and consumers while protecting Native artwork.

MR. CHIMEGALREA referred to the efforts the ASCA has already made in regards to the Silver Hand Program since July 1997. He commented that 200 new artists had entered into the program since July 1997, as compared to the 600 over the past 36 years.

MR. CHIMEGALREA indicated the ASCA was not comfortable with the current Silver Hand agent structure, and he mentioned the efforts to contact the over 200 village corporations throughout the state to encourage the corporations to become the Silver Hand agents for their communities, paying the fees. He noted the Silver Hand

sticker would help local economies. Mr. Chimegalrea concluded that, with all these facts, the ASCA is in support of the transfer.

Number 1466

CHAIRMAN ROKEBERG asked Mr. Chimegalrea how much money the ASCA received from the legislature this fiscal year and how this transfer would affect the ASCA's budgetary requests for next year.

Number 1500

HELEN HOWARTH, Executive Director, Alaska State Council on the Arts, testified via teleconference from Anchorage. She stated that she would like to address Chairman Rokeberg's question.

Number 1528

MS. HOWARTH, referring to the earlier hearing on EO 100 in the House Community and Regional Affairs Standing Committee and questions raised in this meeting, noted she understood the concerns expressed about the ASCA's viability. Ms. Howarth noted the ASCA'S appropriation this year from the state was approximately \$460,000 and was matched by the federal government.

MS. HOWARTH stated that the ASCA feels very strongly it can accommodate the Silver Hand Program within its current budget, and with current staff to a certain extent. She noted the ASCA did ask for a budget increase this year of approximately \$32,000 to fund the addition of the program to the ASCA's budget.

MS. HOWARTH stated that the council plans to seek private funding to make up any additional budget needs it might have through the operations of the program. She noted the council feels very confident that it will be able to attract private support to help fund the Silver Hand Program.

Number 1601

MS. HOWARTH continued, "I think, perhaps, the most important part about us taking over this program is the fact that we - we consider ourselves experts in Native arts. We have the contacts in the communities; we have a Native arts panel that advises us on - on matters of Native arts and culture; we do a lot within our current existing structure, without having to add a lot of budget needs or personnel costs, or anything like that, to actually manage the Silver Hand Program in ... association with our Native Arts Program. So, while it would certainly be nice to have additional funding, we feel fairly strongly that we can manage the program with the resources that we have, ... soliciting additional resources from the private sector."

Number 1676

CHAIRMAN ROKEBERG, hearing no further comments, closed the public hearing on EO 100.

ADJOURNMENT

Number 1682

CHAIRMAN ROKEBERG adjourned the House Labor and Commerce Standing Committee meeting at 4:58 p.m.

Beth Schneider

From: L. Saunders McNeill [saunders_mcneill@eed.state.ak.us]
Sent: Wednesday, May 02, 2007 5:56 PM
To: Rep. Mark Neuman
Cc: Rex Shattuck
Subject: FW: SB97

Attachments: SH_full_query.xls



SH_full_query.xls
(359 KB)

Honorable Representative Neuman,

Thank you for extending time to consider SB97. I spoke with Tim Lamkin to confirm that he has provided a copy of the twelve letters of support for SB97 that came into Senator Stevens office. Below is an email from Wanda Culp, an Alaska Native artist in support of SB97. She details a number of her concerns.

Here are the Silver Hand artist responses to legislation that came in to my office via telephone:

1/19/07 Helen Simeonoff (now in Anchorage, Kodiak Sugpiaq) requested that only Alaska Native artists be eligible for the Silver Hand permit. She does not want lower 48 tribal members to be eligible for the permit. Based on the current statutes and the proposed statutes lower 48 Natives will not be eligible for the permit.

1/22/07 Julian Iya (now in Anchorage and from Savoonga, St. Lawrence Island Yup'ik) called for clarification on AK Native vs. Lower 48 Native eligibility. Wants statute language to be very clear that only Federally recognized or ANCSA Alaska Natives have Silver Hand privileges. Wants only AK Natives to be eligible for permit and that permittees be current residents of the state.

1/29/07 Scott Huntman, Barrow. Really glad to see the changes to the Silver Hand statutes. It is one form of protecting Alaska Natives' artwork. He is a silver hand artist, uses the tags/stickers religiously, and definitely feels that it makes a big difference in the success of his sales as well as an increased amount of money he can get per piece.

I have attached a list of all the Silver Hand permit holders currently on record with the Alaska State Council on the Arts. I have sorted the permit holders by community for ease of contact. I have also contacted a long list of Silver Hand permit holders as well as Alaska Native artists who do not currently subscribe to the program to inform you of their opinions on SB97.

I will be happy to address any other questions you have regarding SB97.
Thank you again for taking time to consider SB97.

Sincerely,

Saunders McNeill

-----Original Message-----

From: Wanda Culp [mailto:kashudoha07@hotmail.com]
Sent: Wednesday, April 18, 2007 1:47 PM
To: saunders_mcneill@eed.state.ak.us
Subject: SB97

L. Saunders McNeill,

I have commented briefly to the legislature on SB97, which i am very glad to see.

I do have a question that pertains to non-Native artisans that are NOT using the Silver Hand but marketing their imitation art none the less, as well as versions of traditional stories that are not authentic.

Hoonah, the Tlingit village where i live, has one Whiteman who blatantly imitates our artwork and is even hired to demonstrate his work by the Alaska Marine Highway/USFS. Icy Strait Point ("The Hoonah Cannery" almost 1 mile out of Hoonah) is the newest cruiseline destination point in S.E. Alaska and has several shops that sell Native artwork. Before this operation opened, the local artists met and formed a "Silver Hand Council", course the only power we have are the federal and state laws. We informed ISP about the federal law protecting Native/American Indian arts markets and cautioned about their shops selling imitation/fake art.

Last summer i worked at one of the ISP shops where "authentic" is emphasized and found imitation/fakes where we thought they were Alaska Native made. Products from "Ekimo" is all imitation - they use the "Made in Alaska" Bear seal instead of the Silver Hand and the visitors do not know the difference. A lot of shop staff do not know the difference either!

As people move into Hoonah to get into the tourism business, some are right off the bat producing imitation/fake art for their shops or for sale.

Haines has a blatant imitation "Native" art business going on right in the middle of their town complete with "native" dance group. My brother and i visited the shops in Haines that market Native art because i was shopping for businesses to market my artwork. I talked to the hired India Indian (a REAL "Indian") who was actually carving native-type masks. Whether they are sold or used in their dance group, they are STILL imitation and fake and NOT made by AMERICAN "Indian."

Juneau is just ridiculous. Good luck to any serious Native or authentic collector for all the fake art sold rampantly.

Are these fake artisans protected because they are NOT using the Silver Hand to sell their products? Is there any protections for those deliberately skirting the laws?

I see it a state-wide epidemic already. Without continuous enforcement, Native artists will continue to be rudely elbowed out of the way of non-Natives because of the vitality of the authentic art business. We are the ones who can make beauty out of bone, skin, antlers, fur - scraps in everyone else's world, and have the stories to go with them. All the fake art and story presentation has GREATLY dilluted the art value and loses us business on top of it.

Thank you for your attention to : comments and questions.

Wanda Culp dba KASHUDOKA VISIONS
Hoonah, Alaska

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MEMORANDUM

Date: 2-14-08

To: Rep. Neuman

From: Kaci Schroeder Hotch

Re: CSSB 97 Silver Hand

You have asked me to weigh in on the proposed definition of "Alaska Native person" in CSSB 97 as it pertains to blood quantum. My findings are below:

CSSB 97 defines an Alaska Native person as someone who resides in Alaska and who is an enrolled member of a federally recognized Alaska Native tribe.¹ For the purposes of this act, a person who is outside of the state but intends to return may still qualify as an Alaska resident. This residency definition is similar to the one used by the Permanent Fund Corporation when determining eligibility for annual PFD checks.

Current state law states that a Native person is an individual who has no less than one quarter Eskimo, Aleut, or Indian blood.² The proposed change in definition would allow a person who is simply enrolled in a federally recognized Alaska tribe and who satisfies the residency requirements to be eligible for a permit to use the "Authentic Alaska Native Art from Alaska" seal.

The relationship between tribes and the federal government goes back hundreds of years. Federal recognition of tribes in Alaska makes them eligible for federal benefits, protection, and services. The federal government has made a policy call to allow each individual tribe to establish its own criteria for membership. There is no uniform formula for tribal membership and it varies from tribe to tribe. However, some common requirements are: lineal decendency from someone on the tribe's base roll³, blood quantum, tribal residency, or continued contact with the tribe.

The issue currently before the House is whether it is appropriate for a state government to impose membership criteria onto the tribes of this state. The current law is highly restrictive in limiting membership to one-quarter blood quantum and also enforces a membership mechanism that many tribes are beginning to reject. The blood quantum mechanism invariably asserts that one day there will be no tribes and serves to inhibit

¹ 25 USC 450b(e) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) [43 U.S.C. 1601 et seq.], which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

² AS 45.65.070 (2008).

³ A tribe's base roll is the original list of tribal membership established in a tribal constitution or other document specifying membership criteria.

growth. It also neglects the cultural aspect of what it is to be Native and strictly limits it to a racial category. It brings up the question of the child who has less than one fourth blood quantum but grows up in the village, learns the culture, and carries on the traditions as opposed to the child who has one-half blood quantum but grows up in the city never having contact with their cultural homeland or culture. Who is the best entity to determine which one of these children qualifies as "Alaska Native?"

Should the state decide to defer to the tribes when determining membership, it must also be known that there is a high possibility that artists who have something far less than one-fourth blood quantum will then be eligible. If the state decides to defer to the tribes then it must be a total deferment. Attempting to track or change each of the 200-plus tribes' membership criteria would be impossible and largely unpopular.

In the end, this is a policy call for the policy making body of this state. Everyone has a different personal definition of what it is to be Alaska Native, however, it is quite possible that the best entities to determine that are the local tribes who already have a process in place that works for them.

If the state does defer to tribes will it open the door for tribal recognition in this state?

* The short answer to this question is yes, but it should be noted that tribes are already referenced in state statute including provisions that require them to waive any sovereign immunity that they may have.⁴ It is my opinion that AS 37.06.040 raises far more issues with tribal recognition than anything in SB 97.

⁴ AS 37.06.040 Municipalities organized under federal law.

An entity organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection is a municipality for purposes of AS 37.06.010 - 37.06.090 and may not receive a grant under AS 37.06.020. In addition to other eligibility requirements applicable to municipalities, to qualify to receive a grant under AS 37.06.010, a municipality organized under federal law as an Indian reserve shall form a community development corporation with authority to determine how the grant money will be used. The corporation's charter must require that the governing board of the corporation shall be elected at an annual election open to all residents of the municipality who are registered and qualified to vote in state elections. The Department of Commerce, Community, and Economic Development may distribute money for the municipality only to a corporation organized in accordance with this section and only after the corporation has delivered a written waiver of ~~sovereign~~ ~~immunity~~ from legal action by the state to recover all or a portion of the money distributed under AS 37.06.010.