Jeremy M. Heil, "Challenges in the Monetary Appraisal of Digital Archives" (presented at the Association of Canadian Archivists conference, *Archives, disrupted*, Ottawa, ON, 8 June 2017)

Digital archives: just when we think we have the path laid out, here comes another curve to throw us all off-kilter. I feel more confident than ever that issues in preservation, authenticity, acquisition, and access have a solid core of theory and application to lead us into the next stage of archival practice. Last September, I had finished presenting a session to the Archives Advisors on the nuts and bolts of working with digital records when Theresa approached me to join her and Karen for this panel to discuss the unique issues associated with assigning monetary value to digital archives. The crux of my earlier presentations to a number of archivists across the country consisted of a blank slide and a question from me: so what do you think the issues with the monetary appraisal of digital records are? Discussion always ensued, and we would talk about the issues associated with what is the authoritative final version, how do we ensure donors do not replicate their donation with another institution for another tax credit, and so on and so forth. I would only devote around 10 or 15 minutes for discussion, since a large number of archivists don't have to conduct monetary appraisals of archival material at all … but that would be a cop out today, as I am certain everyone in this room has to deal with monetary appraisal in some fashion, either as an archivist preparing the records for a CCPERB application, as an appraiser, or as someone vetting appraisals.

For many years, monetary appraisal has been the dark art of the archival world. We are always at a disadvantage when compared to some of our GLAM cousins – there are a multitude of private collectors for artefacts, books, and

artwork, the latter, especially, having logged record values for multi-million dollar auction offerings in recent years. Outside of 19th- or some 20th-century caches of records, we have not seen booksellers and auction houses in Canada offering archival material in nearly the same capacity. So we rely instead on determining the "fair market value."

> As noted by Marcel Caya, "fair market value":
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> is the basic notion that is used, when no prior transactions are available to set value; it must come first in our considerations since it applies to most donations of archival material.[1]

More specifically, and perhaps more important in the evaluation of archival materials, is the Canada Revenue Agency definition of "fair market value," being:

> The highest price expressed in terms of money that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed and prudent and who are acting independently of each other.[2]

Immediately, we are struck with our root problem: there is so limited a market for digital records, that even comparables do not exist for appraisers to consult. In an informal discussion with Chris Prom, I lamented how the US at least has a market for digital records from which to draw. He warned that it would be a mistake to assume that while a market does exist for digital records that it cannot be taken to represent the actual value of the records. The US example is skewed by a handful of high profile, well-funded institutions that are willing to simply spend,

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[1] Marcel Caya, "Appraisal Imperatives" in *The Future of Monetary Archival Appraisal in Canada*, ed. Elwood Jones (Ottawa: National Archival Appraisal Board, 2007) http://www.naab.ca/files/2007proceedings-e.pdf, 8.

[2] Canada. Canadian Cultural Property Export Review Board, "Fair market value - Certification of cultural property," accessed 5 May 2017, https://www.canada.ca/en/canadian-heritage/services/certification-cultural-property/fair-market-value.html

without regarding the true monetary value of the collections they are purchasing. They are purchasing names, to which digital records happen to be appended. Does this, then, define the market?

When considering digital records in relation to their analog counterparts, it is noteworthy that the informational value has not changed and, in fact, may be richer for the sheer variety of contexts afforded by the digital world. Currently, appraisers have a host of techniques they use to determine the value of digital records – most of which stem from analog models. The proceedings of the NAAB Conference from 2007 allude to pricing digital records similarly to photographic negatives, or taking a page from some audio-visual approaches, the cost of maintaining the original media over time. [3] Both serve as a means to an end, but neither fully appreciate the true nature of the digital record.

In his short article "Bucks for Bytes," Terry Cook quickly recounted a case study for determining the monetary value of commercial datasets that had been donated for tax credit.[4] Among the criteria considered was how much clients would have paid for subscription access to the data and resulting reports, the completeness of the records and metadata, the hard cost to collect and manipulate the original data, as well as a number other considerations. Cook illustrated an approach to monetary appraisal that recognized the greater value of the digital record in relation to its context of creation without resorting to exclusively analog precedents.

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[3] Stephen Lunsford and Leslie Mobbs, "Large Digital Collections" in *The Future of Monetary Archival Appraisal in Canada*, 32.
[4] Terry Cook, "Bucks for your Bytes : Monetary Appraisal for Tax Credit of Private-Sector Electronic Database Records," *Archivaria* 62 (Fall 2006): 121-125.

Appraisals that devalue the digital in favour of the tangible do a disservice to the long-term research value of records created in the 21st century. Our donors are smart enough to notice the diminishing returns of their born-digital accruals versus their earlier donations of print material – altogether the same type of record and information, just created in a different format. What we suffer from is the whim of the market. In David Walden's article, "Stretching the Dollar: Monetary Appraisal of Manuscripts," he notes that:

> The determination of fair market value requires only that there be sufficient people available and able to buy to assure a fair exchange price - meaning that it is dependent on market forces.[5]

In the monetary appraisal of digital records, the notion of "fair market value" is a contributor to a greater problem. Buyers of archival material are drawn to the artefactual allure of paper, but not the seemingly ephemeral (and less aesthetic) digital, leading to higher values assigned to printouts of emails, and devaluation of their more vital originals within context.

So how do we change this attitude? By defining the parameters of digital appraisal - that digital records in context are inherently more valuable (monetarily speaking) than records removed from their original space - it will encourage donors to maintain their own digital lives as they lived them. We are caught between two worlds at this time with our paper minds wandering through a digital reality.

As a corollary to this point, Walden further explained that:

> The fundamental difference in the approach of archivists and that of dealers of manuscripts to fair market value must be recognized as involving a question of perception of the document's worth: to dealers a document's

[5] David Walden, "Stretching the Dollar: Monetary Appraisal of Manuscripts," *Archivaria* 11 (Winter 1980-81): 104.

> value is seen in terms of fair market value or, stripped of its euphemism, money. Archivists, while recognizing the monetary worth of documents, are concerned with their intrinsic and research value.[6]

One of the challenges I am seeing right now, at least from our experience, is that book dealers are no longer part of this mix. When receiving digital records, for which we are asked to issue a tax receipt, we are dealing either with the donor or their agent (literary or otherwise) directly, especially since there is a requirement for technical intervention to properly transfer the records. Without the vested interest of a third-party "seller," the market consists solely of creators or custodians and archives. The transaction occurs in a closed environment, devoid of broader public awareness and scrutiny, and thereby limiting our knowledge of what actually defines the market.

Appraisers seek the opinion of the market for comparables, but also examine a number of other criteria to determine value. At the 2007 NAAB Conference, Leslie Mobbs and Stephen Lunsford were asked what the digital equivalent would be when examining condition as another quality that affects price. In response, they stated that "When discussing fair market value, the "condition" of digital records could be considered equivalent to the cost of maintaining them. We are looking at solutions such as we cannot define a market for electronic records. Perhaps, we should look at art galleries where they are buying electronic art."[7] I agree wholeheartedly with this analysis, so it would serve us well to dive headlong into the world of digital art for greater insight.

Perhaps not surprisingly, the art world has been at the forefront of developing

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[6] *Ibid.*, 112.
[7] Lunsford and Mobbs, 34.

markets and models for purchasing digitally-born objects. Even though there were a handful of examples dating back to the 1990s of digital artists pushing the envelope of what could be commodified, the market didn't really seem to develop until after 2011. The first exclusively digital art auction was held only four years ago in 2013 by Philips auction house in collaboration with Tumblr and the Rhizome online art community.[8]

In a weeklong exploration of the digital arts market, Vice magazine's arts and culture platform, "Creators," highlighted some of ways digital artists have tried to commodify their works.[9] Author Will Brand identified a number of these up to that point in 2012 in his article "How Net Artists Make Money Online," listing models that fell into six broad categories:[10]

1) Artists have sold domain names

    a. Rafaël Rozendaal creates works viewable in a web browser, and offers the website for sale. The buyer must sign a contract upon purchase where they are obligated to host the website for as long as they own the work. The buyers' name is added to the title metadata, an example of which can be seen in "if no yes .com," which sold for $3,500 in the Paddles

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[8] Molly Osberg, "Would you pay $2,000 for a GIF?," *The Verge*, 17 October 2013, https://www.theverge.com/2013/10/17/4844814/would-you-pay-2000-for-a-gif.
[9] Julia Kaganskiy, "#DigArt: We're Spending A Week Exploring The Digital Arts Market (Or Lack Thereof)," *Vice*, 7 May 2012, https://www.vice.com/en_us/article/jpd4wx/digart-were-spending-a-week-exploring-the-digital-arts-market-or-lack-thereof.
[10] Will Brand, "How Net Artists Make Money Online," *Vice*, 9 May 2012, https://www.vice.com/en_us/article/ypnywm/digart-how-net-artists-make-money-online.

   b. In another example, Thomson and Craighead ran an online ephemera store (Dotstore), and then auctioned the store itself through eBay

2) Views

   a. Petra Cortright displays her works on YouTube, and determines a price based on the number of views the individual works receive. Her 24 second video, "RGB, D-LAY" sold for $3,200

3) By commission:

   a. CyGNet, or CyberGallery Network, ran from 1998 to 2007 on the website of Japanese cosmetics firm, Shiseido

   b. MTAA lists a number of ideas on their "Website Unseen" page, and will build a website based on a selected idea for $100 US

4) Sell individual components of a work:

   a. Lisa Jevbratt, in her project "1:1," auctioned individual pixels through eBay. Each pixel was the colour-coded representation of the status of an IP address at a specific point in time, stored in a database

5) Ads:

   a. A number of website-based art is paid for with onsite ads, including, more prominently, Cory Arcangel's "Punk Rock 101," which explored the symbiotic relationship between the language found in a document, in this case, Kurt Cobain's suicide note, and the algorithm used by Google to target ads.

6) Editions: Perhaps the most common and fruitful of assigning value to digital art works has been the use of certified editions. Some of these models

include:

a. Selling unlimited editions of GIFs at a set price, "accompanied by a personalized note from the artist"
b. Selling limited editions of works, downloadable to the storage medium of the buyers choice (including Dropbox), as in the case with Sara Ludy's "City Inverse." Lauren Cornell, Executive Director of Rhizome, described the challenge of selling a GIF, stating "media works often require a certificate, because they are more complicated to manage than a painting." In Rhizome's model, the purchased GIF would be removed from the website permanently. At the time the work was on offer for sale in 2011, the interviewer asked Cornell whether they'd thought of embedding the buyer's name into the GIF code. This hadn't been thought of, but it did prompt a very positive reaction.
c. Selling unlimited editions of a work, and increase the price after each purchase.

It is in this last model that I think we can find great value and lessons for the future of monetary appraisals in the digital world. Inventory, provenance, and metadata are key indicators of the authenticity of the artwork, as is, perhaps most notably, the existence of a registry to document and maintain some or all of these elements.

A key feature of how digital art is sold is in the definition of editions, akin to the sale of prints, or the purchase of the residue of conceptual artworks. In the latter case, what remains is the piece, just transferred from one website administrator to

another, as in the case with Rozendaal's websites. In the former, new art dealers such as s[edition] offer limited editions of works: gifs, online video, etc., which they sell AND store for the buyers. On their website, s[edition] notes that they will "securely store your collection so you can access it anytime, anywhere, on any screen, across your devices."[11] Perhaps the most interesting aspect of this model is how s[edition] supports the storage of the artwork in their own repository, alongside data relating to the purchase of the works. The buyer trusts that the work will be maintained and available when and how they would like to display it.

The designated digital repository (be it TDR or simply trustworthy for the archival institution) could serve in the same fashion both to maintain the value in the digital "edition" – in the case of digital records, an edition limited to one – and identify the authoritative copy of the digital objects. What archives are seeking to do is define the limit of digital editions. What we acquire and place in a repository should be identified as "the" authoritative edition - everything else is a copy, and should be treated as having limited value. This is, therefore, defined by the surrounding documentation, being Deed of Gift, inventory of files acquired and selected for preservation, acquisition notes, fixity logs, and preservation policies, and can serve to define the original for the purpose of monetary appraisal. Furthermore, chain of custody is key, and the documentation of which should support any monetary appraisal.

In his review of NAAB in 2007, Carman Carroll suggested "NAAB could make an effort to create a database of publicly available information on sales of archival

[11] "How it works," s[edition], https://www.seditionart.com/how-it-works, accessed 21 April 2017.

records in Canada, which could be accessed by all appraisers."[12] Heather Home, in her article on Monetary Appraisal that appeared in the ACA Bulletin, further noted that:

> NAAB is not the only one that could help to expand the knowledge of the "market" for archival material. A public sector disclosure policy regarding achieved values for material receiving cultural property certification … is an avenue, which should also be examined. It would be in the interest of the public that this information be disclosed and it would help to build a knowledge base about the value of archival material for the profession.[13]

With regards to the challenge of appraising digital records, the time is ripe for such a project to take shape. We can clearly identify the parameters of such a project, where I could foresee engaging with donors of digital records for tax receipt to request we make the appraisal amounts and justifications available in a limited access database. The access could be defined by criteria, including the collected names of monetary appraisers supporting CCPERB certifications, or through authorized archival institutions, for example. In this fashion, donors could be encouraged to make this information available, especially if it will serve to benefit them in the evaluation of future donations.

In his article, "What does it mean to 'buy' digital art," Sam Sedgman writes "in a world still making up its mind about the impact digital technology will have on the art marketplace, trying to sell a GIF or a website is almost an act of conceptual art in

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[12] Carman Carroll & Associates, "Appraising NAAB: A Report on the Current State and Future of the National Archival Appraisal Board," prepared for the National Archival Appraisal Board, June 2007: 29.
[13] Heather Home, "Monetary Archival Appraisal and Tax Receipting in Canada: An Update," *ACA Bulletin* (April 2010): 12.

itself."[14] Often there could be a perceived similarity between the purchase or evaluation of digital objects and the conceptual piece "Zone de sensibilité picturale immatérielle" by Yves Klein. Klein defined this work by the act of exchange. Patrons would purchase pure gold leaf, for which they would be issued a receipt. In the presence of an Art Gallery, Museum Director, or Art Critic, plus two witnesses, the group would find a space where the gold would be irretrievable, such as the flowing Seine, and throw half of the gold into it. The receipt would then be burned, to leave no physical trace, but leave the buyer with an intrinsic art experience. The difference with digital records, though, is that we are not seeking to throw gold into the wind for an immaterial experience – we are seeking to preserve and make available records in their original and most usable forms, and not for an intrinsic art experience, but rather for the edification of all future generations.

[14] Sam Sedgman, "What does it mean to 'buy' digital art?," *The Space*, 6 August 2015, https://www.thespace.org/news/what-does-it-mean-buy-digital-art.