

ELIGIBILITY TO SHARE IN COMPENSATION

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1. Background

The Canadian Journalism Collective—Collectif canadien de journalisme ("CJC-CCJ") will distribute compensation to news businesses in accordance with a contribution agreement (the "Agreement") that the CJC-CCJ signed with Google LLC ("Google") on 6 June 2024, subject to approval of the Agreement by the Canadian Radio-television and Telecommunications Commission ("CRTC").

The following guidance is intended to clarify which news businesses are eligible to share in any compensation that may be received from Google and paid to news businesses.

2. How to apply

A news business wishing to apply to share in compensation received under the Agreement for a given year must complete and submit an <u>Application to share in compensation pursuant to the Online News Act</u> (the "Application") within the timelines published by the CJC-CCJ.

The CJC-CCJ will review the news business's application, which is subject to policies including those regarding Payment Calculation and Dispute Resolution, available on the CJC-CCJ
Documents webpage. The payment is contingent upon the CRTC issuing an exemption order whose effect is to require Google to pay the CJC-CCJ the contribution specified in the Agreement.

A news business that is eligible to share in compensation received under the Agreement will receive a letter by email from the CJC-CCJ confirming its eligibility, providing an eligibility number and indicating the proportion of declared employee hours, freelancer fees and gross revenue that the CJC-CCJ accepts.

To receive a payment, news businesses must execute a membership agreement with the CJC-CCJ. News businesses that are eligible to receive compensation are also eligible to become a member of the CJC-CCJ and to be represented and to vote at CJC-CCJ general meetings of members.

An organization that is ineligible to share in compensation will receive a decision letter by email from the CJC-CCJ. The CJC-CCJ Dispute Resolution Policy (available on the CJC-CCJ Documents webpage) outlines the process by which news businesses may dispute a decision finding that they are ineligible to share in compensation.

3. Requirements that apply to all news businesses

To share in compensation under the Agreement, news businesses must satisfy the requirements set out in s. 5 of the *Online News Act Application and Exemption Regulations* (the "Regulations"), as described in the following subsections.

(a) News content made available by Google

The news content produced by the news business's news outlet must be made available by Google. A news outlet whose content is discoverable through Google's search engine meets this requirement.

(b) Producing news content of general interest

The news outlet must be operated exclusively for the purpose of producing news content focused on matters of general interest, including local, regional and national news content.¹

¹ In the case of a news business that operates an Indigenous news outlet that wishes to be considered eligible pursuant to s. 31(2.1) of the Act, that provision specifies that the outlet must produce "news content that includes matters of general interest, including coverage of matters relating to the rights of Indigenous peoples, including the right of self-government."

The news content must not be focused on a particular topic such as industry-specific news, sports, recreation, arts, lifestyle or entertainment. It must not be intended to promote the interests or report on the activities of an organization, an association or its members. News content in this context generally has the same meaning as it does in the relevant subsection of News businesses producing original news content, which provides further clarification.

(c) Canadian requirement

The news content must be produced primarily for the Canadian news marketplace.

In the case of a news business that operates an Indigenous news outlet,² the news business can instead meet the alternative requirement of **operating in Canada**,³ which has the same meaning here as in the <u>Operates in Canada</u> section of this policy, which is part of the requirements to be eligible for the purposes of s. 27(1)(c) of the Online News Act (the "Act").

4. Effective dates

The CJC-CCJ will determine news business's eligibility to share in the compensation in accordance with the present policy as of 1 January 2023. The news business must also be eligible as of the date that their application is submitted.

5. Eligibility categories

In addition to satisfying the requirements discussed in section 3 above, <u>Requirements that apply to all news businesses</u>, a news business must also fall within **one** of the eligibility categories described by s. 27 of the Act. The Application asks news businesses under which of the following categories they wish to be considered.

(a) Qualified Canadian journalism organizations

A news business that the Canada Revenue Agency has designated as a Qualified Canadian journalism organization ("QCJO") is in an eligible category.

If a news business indicates that it is a QCJO in the Application, it will be asked to provide relevant documentation. The CJC-CCJ may conduct further verification of its QCJO status.

(b) Licensed campus, community or native stations

A news business that is licensed by the CRTC under paragraph 9(1)(b) of the Broadcasting Act as a campus station, community station or native station is in an eligible category.

² The Act defines an Indigenous news outlet as one that is operated by Indigenous People and that produces news content primarily for Indigenous People. The CJC-CCJ will apply these two criteria in the same way that it describes further below in the section on the eligibility category for News businesses that operate an Indigenous news outlet.

³ Subject to any other requirements of s. 31(2.1) of the Act.

If a news business indicates that it holds such a license in the Application, it will be asked to provide relevant documentation. The CJC-CCJ may conduct further verification of its licensing status.

(c) Other similar community stations

A news business that operates a station that has a community mandate that is similar to that of campus, community or native stations licensed by the CRTC is also in an eligible category.

The CJC-CCJ will generally consider that a station has such a community mandate if it falls within the "community element", which the *Broadcasting Act* defines as including the element of the Canadian broadcasting system as part of which members of a community participate in the production of programs that are in a language used in the community including a not-for-profit broadcasting undertaking that is managed by a board of directors elected by the community.

If a news business indicates it operates such a station in its Application, it will be asked to provide relevant documentation, and the CJC-CCJ may conduct further verification.

(d) News businesses producing original news content

A news business that meets the criteria set out in s. 27(1)(b) of the Act related to the production of original news content is also in an eligible category. If a news business indicates in its Application that it wishes to be considered in this category, then it must demonstrate that it meets each of the following criteria.

i. Regularly employing two journalists

The news business must regularly employ two or more journalists in Canada, which may include journalists who own or are a partner in the news business and journalists who do not deal at arm's length with the business.

"Regularly employs" refers to the regular and continuous employment of a journalist, either full-time or part-time, even if the position is temporarily unoccupied. Freelance journalists do not meet the condition of being "regularly employed" because they are not employees.

ii. Operating in Canada

The news business must operate in Canada, including having content that is edited and designed in Canada. The news business may store its data or publish its content on servers located outside of Canada. But the news business's day-to-day and sustained activities must be performed in Canada, including that its content be edited and designed in Canada.

iii. Producing news content of general interest

The news business must produce news content:

 of public interest that is primarily focused on matters of general interest and reports of current events, including coverage of democratic institutions and processes; and • that is not primarily focused on a particular topic such as industry-specific news, sports, recreation, arts, lifestyle or entertainment.

Its news content should be original, produced on an ongoing basis, and aimed at a general audience, as opposed to specialists of a specific field.

iv. Following a code of ethics

The news business must either:

- be a member of a recognized journalistic association and follow the code of ethics of a recognized journalistic association; or
- have its own code of ethics whose standards of professional conduct require adherence to the recognized processes and principles of the journalism profession, including fairness, independence and rigour in reporting news and handling sources.

News businesses applying under s. 27(1)(b) will be asked to provide information regarding their code of ethics.

(e) News businesses that operate an Indigenous news outlet

A news business that operates an Indigenous news outlet and that meets the further criteria set out in s. 27(1)(c) of the Act is also in an eligible category.

i. Indigenous representation

To be an Indigenous news outlet, the outlet must be owned and operated by an individual who belongs to an Indigenous group, community or people, as further defined below. The CJC-CCJ will consider this condition to be satisfied if Indigenous representation in the news business satisfies the following requirements:

- 1. Indigenous individuals must hold key operation and management roles in the news outlet:
- 2. In the case of a for-profit news business (such as a business corporation, partnership, or sole proprietorship), Indigenous Individuals must own at least 51% of the news business (i.e. in their capacity as shareholders, partners, or similar); and
- 3. In the case of a non-profit⁴, Indigenous individuals must account for at least 51% of the seats on the board of directors or the analogous decision-making body.

If a news business indicates that it wishes to be considered as eligible in its Application because it operates an Indigenous news outlet, it will be asked to provide copies of the Affirmation of Indigenous Identity form (available on the CJC-CCJ Documents webpage) that have been signed and completed by each of these individuals. Further proof of these individuals' Indigenous identity may be requested by the CJC-CCJ.

⁴ Or similar entities such as a registered charity, registered journalism organization or other qualified donee.

ii. Producing news content primarily for Indigenous Peoples

To be an Indigenous news outlet, the outlet must produce news content primarily for Indigenous Peoples. To be in the eligibility category for Indigenous news outlets, its primary purpose must be to produce news content. News content in this context means content — in any format, including an audio or audiovisual format — that reports on, investigates or explains current issues or events of public interest and includes content made available by means of Indigenous storytelling.

The explanation provided above in the <u>Producing news content of general interest</u> section in the context of s. 27(1)(b) of the Act generally also applies in this context.

The Indigenous outlet's news content must include matters of general interest, including coverage of matters relating to the rights of Indigenous Peoples, including the right of self-government, treaty rights and self-determination.

iii. Operates in Canada

The Indigenous news outlet must operate in Canada. This means that its day-to-day and sustained activities must be performed in Canada, and generally requires that its content be edited and designed in Canada.

(f) News businesses designated as eligible by the CRTC

The CJC-CCJ also accepts and recognizes CRTC orders designating news businesses as eligible according to s. 27 of the Act. Please note that even if a news business is subject to such an order, it must additionally satisfy the Requirements that apply to all news businesses, above, and to not be in any of the Disqualifying circumstances described below, to be eligible to share in the compensation.

If a news business indicates that it is the subject of such an order in its Application, it will be asked to provide relevant documentation and the CJC-CCJ may conduct further verification.

6. Disqualifying circumstances

A news business is ineligible to share in compensation under the Agreement in each of the situations indicated in the following subsections. Even if they satisfy any or all of the requirements in the previous two sections, including if the news business has been designated as eligible by a CRTC order under s. 27(1) of the Act, news businesses are ineligible in the following situations except where the subsections that follow make an indication to the contrary.

(a) International sanctions

A news business is ineligible if it has certain connections to international sanctions that are specified in the Act. The sanctions that the Act refers to are any sanctions under the *United Nations Act*, the *Special Economic Measures Act*, or the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*.

A news business is, more specifically, ineligible to share in compensation if it is the subject of those sanctions or if it is owned or controlled by an individual or entity that is the subject of those sanctions.

It is also ineligible to share in compensation if it has its headquarters in a foreign state, as defined in section 2 of the *Special Economic Measures Act*, if the state is the subject of such Sanctions.

(b) Violations of the Act

If a news business has violated the Act, the Regulations made pursuant to the Act, or an order made under the Act, then the CJC-CCJ may conclude that the news business is ineligible, depending on all of the circumstances; notably the severity and consequences of the violation.

(c) CRTC ineligibility orders

A news business is ineligible if it is the subject of an eligibility revocation order issued by the CRTC pursuant to s. 59(1)(c) of the Act.

A news business is not necessarily ineligible, however, if it is the subject of an eligibility revocation order issued by the CRTC pursuant to s. 27(3.2) of the Act, which is a revocation made on the basis of the international sanctions described above. A news business that is the subject of such a revocation order will, however, have to provide convincing evidence to demonstrate that such international sanctions no longer disqualify it.