

House of Commons' Standing Committee on Industry and Technology

Opening Statement by:

Sean Mullin
Senior Fellow
Munk School of Global Affairs & Public Policy
University of Toronto
sean.mullin@utoronto.ca

May 28th, 2026

Thank you, Madame Chair, and members of the Committee, for the invitation to appear today.

My name is Sean Mullin. I am a Senior Fellow at the Munk School of Global Affairs and Public Policy at the University of Toronto, where I co-lead the AI Competitiveness Project with my colleague and co-author, Jaxson Khan.

Together, we recently released a report entitled *Sovereign by Design: Strategic Options for Canadian AI Sovereignty*. A briefing note on this report has been submitted to members today.

The question before this Committee sits at the centre of a difficult strategic tension.

Canada is a small, open economy and a middle power. Our prosperity and security depend on deep integration with global partners, in particular the United States. To date, that openness has largely been a source of strength. But with AI, integration also creates dependencies: on foreign cloud infrastructure, advanced chips, foundation models, and digital platforms. And in this period of geopolitical rupture, those dependencies become riskier and can jeopardize Canadian sovereignty by creating channels for foreign leverage or coercion.

At the same time, failing to adopt AI is also a sovereignty risk. A country that falls behind in AI

adoption will become less productive, less competitive, and more vulnerable.

Therefore, the challenge is not to choose between adoption and sovereignty. It is to capture the benefits of AI while protecting Canadian data, jurisdiction, institutional capacity, and economic autonomy.

Our report's central argument is that the goal of sovereign AI policy should be freedom from coercion, not isolation. For Canada, AI sovereignty cannot mean building an entirely domestic AI stack. No middle power can do that at frontier scale. But unmanaged dependency is also risky. It can leave Canada exposed to decisions made by foreign governments, foreign courts, or foreign technology firms.

The policy objective therefore should be to structure Canada's dependencies in ways that preserve choice, reduce leverage, and maintain the ability to act in the public interest. Viewed through this lens, AI sovereignty can be considered a spectrum, not a binary choice. Every step that reduces Canadian exposure to coercion, or expands Canada's room to manoeuvre, strengthens our sovereignty.

This matters because it makes the policy challenge tractable. Canada does not need to solve every problem at once to make meaningful progress.

To identify where intervention matters most, our report maps the seven layers of the AI technology stack – from data to compute to the application layer – and assesses them against five dimensions of digital sovereignty: jurisdictional, operational, technological, societal, and economic.

The result is a vulnerability heat map that helps policymakers see where the most serious risks are concentrated and set priorities accordingly.

A key finding is that cloud infrastructure is Canada's most acute controllable vulnerability, and, in our assessment, the highest-priority area for federal action. Cloud is where policies like procurement

reform, standards, Canadian ownership models, encryption controls, audit rights, and pooled public-sector demand can make a real difference.

Overall, we set out more than two dozen specific policy options across every layer of the stack. Our report does not present a single blueprint. It presents a menu of strategic options that can be pursued at different speeds and in different combinations by different actors.

Canada's window for action also matters. As models continue to improve and AI adoption spreads across the economy, the infrastructure build-out over the next five to ten years will dwarf today's capacity. Decisions now about infrastructure, platforms, procurement, and standards will harden into long-term commitments.

A final point is that interdependence with peer countries is not the same as dependency on a dominant power. Partnerships with like-minded middle powers can help Canada reduce vulnerability while maintaining shared access to advanced capabilities.

Canada has meaningful strengths to build on: excellent researchers, abundant energy, a vibrant domestic tech sector, emerging sovereign infrastructure providers, and democratic institutions worth protecting. We believe that AI sovereignty is achievable for Canada, but it will require deliberate choices. The window for making these choices is now.

Thank you. I would be pleased to elaborate on any specific recommendations in response to your questions.