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Data Hosted in Canada, Owned in Canada

The twin condition of digital sovereignty, and the four blockers holding organizations back



François Tessier
AI Strategy & Deployment · Digital Transformation · Digital Media Production

realisationtessier.ca · francois@realisationtessier.ca · LinkedIn

Data hosted in Canada, owned in Canada: the twin condition of digital sovereignty

Ottawa has set the course. Four obstacles explain why organizations are slow to follow.

Ottawa has just required that Canadian data live in Canada, with a Canadian owner. Four blockers keep organizations from complying, and the provider that clears them will take this market.

HOW THIS DOCUMENT WAS PRODUCED

1. **Editorial positioning** — the author, François Tessier, sets the question, the thesis and the limits of the document.
2. **AI-assisted research** — the literature review and the gathering of public sources were carried out with Claude.
3. **Verification and judgment** — every source was opened and validated by the author, over successive iterations.
4. **Writing and production** — structure, argument, figure and layout settled by the author.

François Tessier · September 2026 · public sources as of September 20, 2026

Ottawa redefines digital sovereignty

Five public decisions in fifteen days, from September 3 to 17, 2026

SEPTEMBER 3, 2026

Ottawa sets up a digital agency

Mark Carney creates Digital Transformation Canada, led by Patrick Pichette, former CFO of Google and a former Bell Canada executive. Its priorities include shared solutions that strengthen digital sovereignty, and federal purchasing directed toward Canadian digital and AI companies.

SEPTEMBER 9, 2026

Ottawa funds AI literacy

Minister Solomon launches the National AI Literacy Initiative, delivered by Amii with a national consortium of 61 post-secondary institutions. Targets: one million learners and 50,000 educators by 2031. Sovereignty becomes a workforce question, not only a hosting one.

SEPTEMBER 14, 2026

Ottawa backs the capacity

Ottawa welcomes Bell Canada's expansion of its Saskatchewan AI data centre project: up to $52.5 billion in capital investment, 900 megawatts of new capacity, a path to a 1.2-gigawatt hub and 4,500 jobs. The largest private investment in the province's history.

SEPTEMBER 16, 2026

The minister defines sovereignty

Evan Solomon, Minister of Artificial Intelligence and Digital Innovation, defines it at ALL IN: “It is having the ability to choose where our data resides and which tools we want to use.” Where data lives becomes the deciding criterion.

SEPTEMBER 17, 2026

Carney takes it to Europe

Before the European Parliament: “Technology platforms aspire to sovereignty. They want to set the terms of access. They want to dictate the rules.” The subject leaves the administrative offices for foreign policy.

Office of the Prime Minister of Canada, news release of September 3, 2026 · Innovation, Science and Economic Development Canada, news releases of September 9 and September 14, 2026 · Address by Minister Solomon, ALL IN, Montreal, September 16, 2026 · Speech by Mark Carney to the European Parliament, Strasbourg, September 17, 2026.

Hosting in Canada is no longer enough

The company that hosts the data must also be Canadian.

WHAT IS NO LONGER ENOUGH

HOSTING ALONE

Data stored in Canada with a provider under American control remains reachable. A U.S. statute, the CLOUD Act, allows United States authorities to compel an American company to hand over data, even data held elsewhere.

DECLARED COMPLIANCE

A contractual promise to keep the data in Canada changes nothing about the nationality of the company hosting it.

WHAT MEETS THE CRITERION

HOSTING AND OWNERSHIP

A company wholly owned and controlled in Canada generally falls outside the CLOUD Act. The two conditions add up: the country for the location, ownership for the access.

TWO DOCUMENTS TO CHECK

The hosting contract for the location. The shareholder register for the control.

Every Canadian organization must now be able to state publicly where its data resides and under whose control. Doing nothing has become a position that has to be defended before the board.

Borden Ladner Gervais, "Data Sovereignty in Canada and the CLOUD Act: What Canadian Organizations Need to Know," April 2026.

The four blockers of digital sovereignty

They come one after another. They have to be cleared in order.

1	**Where is the data allowed to reside?**	A question of law. It is decided at the very top.
2	**The state of the legacy systems**	A question of time. The duration is always underestimated.
3	**Which route the data should travel**	Three possible routes. Almost no one asks the question.
4	**Who has the authority to decide**	In most organizations, no one.

The first two are easy to name. It is the last two that bring things to a standstill.

Blockers 1 and 2: the law, then the legacy systems

These two we know how to name. They are expensive, and they get resolved.

1 Data residency

What we observe — the decision goes up to senior management before it ever reaches the technical teams.

What it really is — choosing where data lives engages the responsibility of the entire organization, not just that of its IT department. That is why the decision rises so high, and so slowly.

2 Aging systems

What we observe — the migration schedule doubles, and no one had planned for it.

What it really is — gathering, cleaning and standardizing data scattered across old systems takes long, invisible work that is almost always underestimated.

These two are paid for in money. The next two are paid for in paralysis.

Author's observation, drawn from a $5.9M public-sector modernization program led from 2023 to 2026.

Third blocker: which route the data should travel

Three possible routes, four consequences. The choice is often made by settling on a tool before the question has even been asked.

	Setup cost *4 points = very expensive*	Time to data access *4 points = very long*	Achievable quality *4 points = very good*	Governance effort *4 points = very heavy*
Move everything to the cloud				
Copy on a fixed schedule (ETL)				
Read directly at the source				

The third route is the cheapest to set up and demands the most effort afterward. It is the one I ruled out. That leaves the blocker no one wants to talk about.

Author's assessment. None of these values comes from a public source: they are verified by talking to customers.

Fourth blocker: no one has the authority to decide

The decision belongs to four departments at once, and therefore to none

This decision touches data, legal, finance and IT all at once. It belongs outright to none of these departments.

WHAT HAPPENS

Each one waits for the other to decide. The file stays open, active, and motionless.

WHAT IS MISSING

Someone whose responsibility it is, a date, and a written mandate. All three together.

WHAT I SAW UP CLOSE

The discussion dragged on, and it played out between departments rather than on a whiteboard.

Meanwhile, the clock keeps running.

Waiting is expensive, even when nothing seems to be happening

Three bills that pile up while the decision goes unmade

THE OPPORTUNITY COST

Everything the organization wanted to do with its data is on hold. Every quarter lost is a quarter without analytics, without personalized service, without forecasting.

THE DEBT COST

The old systems keep producing data. The longer the wait, the more there will be to clean up, and the more the catch-up will cost.

THE EXPOSURE COST

Meanwhile, the data stays where it is, and the law that applies to it stays the same.

The file does not deteriorate abruptly. It deteriorates slowly, which makes it easy to postpone.

That is the reason nothing moves, and it is also the reason something can move now.

What a provider can offer to unblock its customers

Three options, three trade-offs, and the one I choose

A Sell the capacity

What it unblocks — nothing. The customer leaves with all four blockers intact.

What it costs — almost nothing. It is the fastest thing to sell and to deliver.

B Document the routes

What it unblocks — blocker 3. The customer receives the three routes, quantified, with their cost and their effort.

What it costs — producing that material, then keeping it up to date.

C Prepare customer data

What it unblocks — blocker 2. The legacy systems are cleaned up before the move.

What it costs — a services team, and a longer first engagement.

I CHOOSE OPTION B: DOCUMENT THE ROUTES

It is the only one of the four blockers a provider can remove without stepping into its customer's internal affairs, and it is the one that stalls things the longest. The acknowledged trade-off: this path sells more slowly than raw capacity.

FOUR MOVES IN 90 DAYS

1. Document the three routes as reference blueprints.
2. Make Canadian ownership a selling point.
3. Identify the public buyers whose mandate has changed.
4. Measure which blocker each sale stalls on.

What will decide the winner of this market

A stated conviction, and what would prove it wrong

The provider that takes this market will not be the one with the largest capacity. It will be the one that was first to document how to move data no one dares to move.

Canadian ownership opens the door. The route itself remains to be written.

WHAT WOULD INVALIDATE THIS THESIS

- A single case observed up close, in a municipal setting. A federal department or a large private company may rank these blockers differently.
- The assessment of the three routes remains an assessment. It is validated by talking to customers, which this analysis did not do.
- The scope of the CLOUD Act evolves through case law and executive agreements. The April 2026 reading needs an update.

SOURCES

Office of the Prime Minister of Canada. News release, September 3, 2026.

Innovation, Science and Economic Development Canada. News releases, September 9 and 14, 2026.

Solomon, Evan. Address, ALL IN conference, Montréal, September 16, 2026.

Carney, Mark. Speech, European Parliament, Strasbourg, September 17, 2026.

Borden Ladner Gervais. “Data Sovereignty in Canada and the CLOUD Act,” April 2026.

Author’s observation. Public-sector modernization program, $5.9M, 2023–2026.

FRANÇOIS TESSIER

Is your organization facing this challenge?

Let’s talk. A first conversation is often enough to frame the question, name what is blocking it and see where to start.

francois@realisationtessier.ca

realisationtessier.ca

LinkedIn · François Tessier

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