



Investing Together in Canada's Digital Social and Economic Infrastructure


2017 Pre-Budget Submission
by the Digital ID and
Authentication Council of
Canada (DIACC)

Investing in Digital ID and Authentication - 21st Century Nation-Building

*A large part of Canada's 20th century prosperity was made possible by nation-building projects – projects that without leadership from the government of Canada would not have been possible.*¹

Throughout Canada's history, our country has been shaped by visionaries who understood that Canada's strength lies in connection, collaboration and innovation.

In the same way that building the railway stimulated new engineering and led to spin off and ancillary business opportunities, the move toward trusted digital authentication will create greater demand for skilled resources and new technologies.



The digital economy encompasses the network of technologies that support the way Canadians live, earn, spend and invest, combining new and unprecedented technologies to generate value.

*For businesses, this means faster, higher quality and less expensive digital products and consumer experiences. For Governments, digital services provide greater transparency and effectiveness to constituents.*²

Just as the railway increased employment opportunities and enabled Canadians to participate in society on a more equal footing, digital identification will create a more leveled playing field across Canada.

In the same way that our ancestors built a national railway that linked communities from across the country and created new markets, broad adoption of a modern, robust digital identification and authentication ecosystem will link us online and create new ways of interacting with each other and with others around the world.

Yet if Canada is to seize the opportunity of the digital economy we must invest together in Digital ID and Authentication – these are the rails upon which the digital economy runs and they will determine whether Canada will stand-out or stall-out

¹ Liberal Party of Canada, Historic Investment Plan 2015, <https://www.liberal.ca/files/2015/08/An-historic-investment-plan.pdf> (accessed January 28, 2016)

² Sondergaard, Peter (2013). The Digital Industrial Economy. Gartner Blog Network. <http://blogs.gartner.com/peter-sondergaard/the-digital-industrial-economy/> (accessed January 29, 2016)

The Digital Economy – Canada’s Competitive Advantage

Canadians are among the world’s top digital users. We spend over 40 hours a month on-line³ registering for school, interacting with governments, banking, shopping and connecting with friends and family. Canada’s total digital population is 29.4 million⁴ and growing.

Canadians are enthusiastically adopting all types of digital technologies and services to improve how we work and live. Mobile devices, mobile apps and cloud-based services are just a few recent developments that promise to transform the way entire industries do business. In many cases, this promise of prosperity through innovation has begun to be realized, but not to full potential.

More and more Canadians are asking: Why we can’t do more online? Why can’t we go online to access medical records, sign contracts, or apply for a passport?

Why is it that we can pay for our children’s hockey camp online yet we have to print off and sign a physical copy of the liability waiver?

answer is simple. The systems that assist Canadians in their everyday lives don’t know with enough confidence who we are as online users.

Despite the digital transformation going on around the methods of proving our identity and signing documents often remain locked in traditional face-face meetings that rely on paper or plastic documents. This reliance on traditional modes of proving identification and authentication is a

significant barrier to innovation.

Canada’s lack of a robust digital identification and authentication regime—a critical component of all digital activities – means that we are seeing significant waste and friction in the economy.

Canada, long recognized as a digital leader, risks falling behind in the emerging digital economy. Fortunately for Canada, the challenge is solvable.

Investing Together – Enabling Canada to Lead the World

In 2012, leaders from the public and private sectors in Canada came together to create the Digital Identification and Authentication Council of Canada (DIACC).

³ Comscore (2015). Canada Digital Future in Focus 2015.

<https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus> (accessed January 28 2016)

⁴ Comscore (2015)

⁵ Reasserting Canada’s Competitiveness in the Digital Economy, The Internet Association 2014

http://internetassociation.org/wp-content/uploads/2014/10/September-2014_-The-Internet-Association-Canada-Digital-Economy-Paper.pdf (Accessed January 30)



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*The need for action cannot be over-stated. Canada is falling behind its key competitors and neglecting the productivity enhancements that the country needs to remain prosperous in the 21st century.*⁵



Digital identity is relevant not just to Web 2.0 companies, but to the economy as a whole.

The public sector and health care industry stand to profit most from personal data applications and are expected to realise 40% of the total organisational benefit.⁶

With a vision to enable trusted online relationships for Canadians, DIACC members are focused on working together to develop a robust, secure, scalable and privacy-enhancing digital identification and authentication ecosystem that meets the needs of all stakeholders.

This Canadian partnership between the Public and Private sectors is unique. In other jurisdictions the development of a Digital ID and Authentication framework has been left exclusively to either the Public or the Private sector, creating significant challenges related to both privacy and efficiency.

By joining together as Private and Public sector leaders, DIACC members believe that we can create a framework that is both privacy enhancing and efficient – enabling Canadians to leverage the digital economy in ways that no one else can.

Privacy and Trust By-Design

DIACC members believe that Canadian institutions must protect and promote Canadian values and perspectives as the digital economy develops. If we do not, Canadians will be followers rather than leaders. We will be forced to adopt standards that may not reflect what we value as Canadians.



We know that the nation that goes all-in on innovation today will own the global economy tomorrow.

For that and

(President Obama State of the Union January 28, 2014)

It is imperative that we promote and develop a robust, secure, scalable and privacy-enhancing, made-for-Canada digital identification ecosystem. We must lay the rails for Canadians to conduct a wide range of secure online transactions and interactions, domestically and internationally.

such an ecosystem to flourish, Canadians must be willing to adopt it. To adopt it, Canadians must trust the ecosystem will protect their private information, will give them greater control over how much and when they share their personal information, with

whom and for what purpose. Canadians need to control how long data will be stored and what their future rights are with respect to their data.


⁶ Boston Consulting Group (2012), The Value of Our Digital Identity

Innovation at home and with partners around the world is critical to Canada's prosperity.

At a recent [OECD Ministerial event](#), the [OECD Ministerial Council released a statement](#) calling upon OECD members to prioritize the enhancement of productivity for inclusive growth as imperative to ensure societies will reap the benefits of digitalization and innovation.

At the same event, Internet Society President & CEO Kathy Brown [remarked](#), "We are concerned that the growing anxiety of users around security and privacy issues may encourage governments to close and fragment the Internet for more

control. We are worried that this could undermine individuals' ability to use the Internet to improve their lives and the lives of others. This makes **trust** the key issue in defining the future value of the Internet."




Canada's connections to our partners around the world are among its greatest assets, and these relationships contribute greatly to the prosperity of all Canadians.

A recent [report](#) from the 49th session of the United Nations Commission on International Trade Law (UNCITRAL) recognized a number of developing initiatives and the role of international coordination to help ensure international interoperability of identity management rules.

Canadian Prime Minister, Justin Trudeau remarked in a recent [CBC article](#)

Pre-Budget Recommendation

Given the critical impact that Digital ID and Authentication has on citizens, businesses and governments, DIACC members are calling on the Government of Canada to move with speed, focus and partnership to enable a made-in-Canada Digital ID and Authentication ecosystem.



Where the next billion e-consumers will come from, who they are, what they are like, and how they will shape the digital marketplaces of the future are questions of great importance to businesses and investors globally. The answers depend on how governments, businesses, and consumers co-evolve to face the challenges and opportunities of the digital future.⁷

By investing together in Canada's Digital ID and Authentication infrastructure we can:

- Transform how government interacts with both businesses and citizens
- Reduce administrative burdens for government
- Help governments to be more efficient
- Position Canada as a leader in the Global Digital Economy

Without question, Canada can do this.

We have the proven technical prowess, the industrial expertise and the requisite trust in government institutions to build an ecosystem that Canadians will embrace. But no single government

or private enterprise can do it alone.

We need a concerted and coordinated effort between the federal, provincial and territorial governments, as well as the private sector, to build an ecosystem that will allow all Canadians to safely, securely, conveniently and profitably conduct transactions in a digital world.

⁷ Tufts University, Digital Evolution Index (2014)

<http://fletcher.tufts.edu/~media/Fletcher/Microsites/Planet%20eBiz/Digital%20Planet%20-%20Executive%20Summary.pdf> (Accessed February 6, 2016)

About the Digital ID and Authentication Council of Canada (DIACC)

Created as a result of the federal government's Task Force for the Payments System Review, the DIACC is a non-profit coalition of public and private sector leaders committed to developing a Canadian digital identification and authentication framework to enable Canada's full and secure participation in the global digital economy. DIACC members include representatives from both the federal and provincial levels of government as well as private sector leaders.

The DIACC's objective is to unlock economic opportunities for Canadian consumers, and businesses by providing the framework to develop a robust, secure, scalable and privacy enhancing digital identification and authentication ecosystem that will decrease costs for governments, consumers, and business while improving service delivery and driving GDP growth.

DIACC Members



Blackberry
Equifax
Interac

Capco Consulting
Forgerock
Sierra Systems

CIRA (Canadian Internet Registration Authority)
Giesecke & Devrient Systems Canada Inc
Transunion

2Keys
OBS
Thirdstream

Deeth Williams Wall, LLP
PacificEast
Thoughtwire

Equitable Bank
Placespeak
Ticoon

miiCard Ltd.
Securefact
Trulioo

Notarius
Simeio

Government of Canada

Province of Ontario

Province of New Brunswick

Province of British Columbia