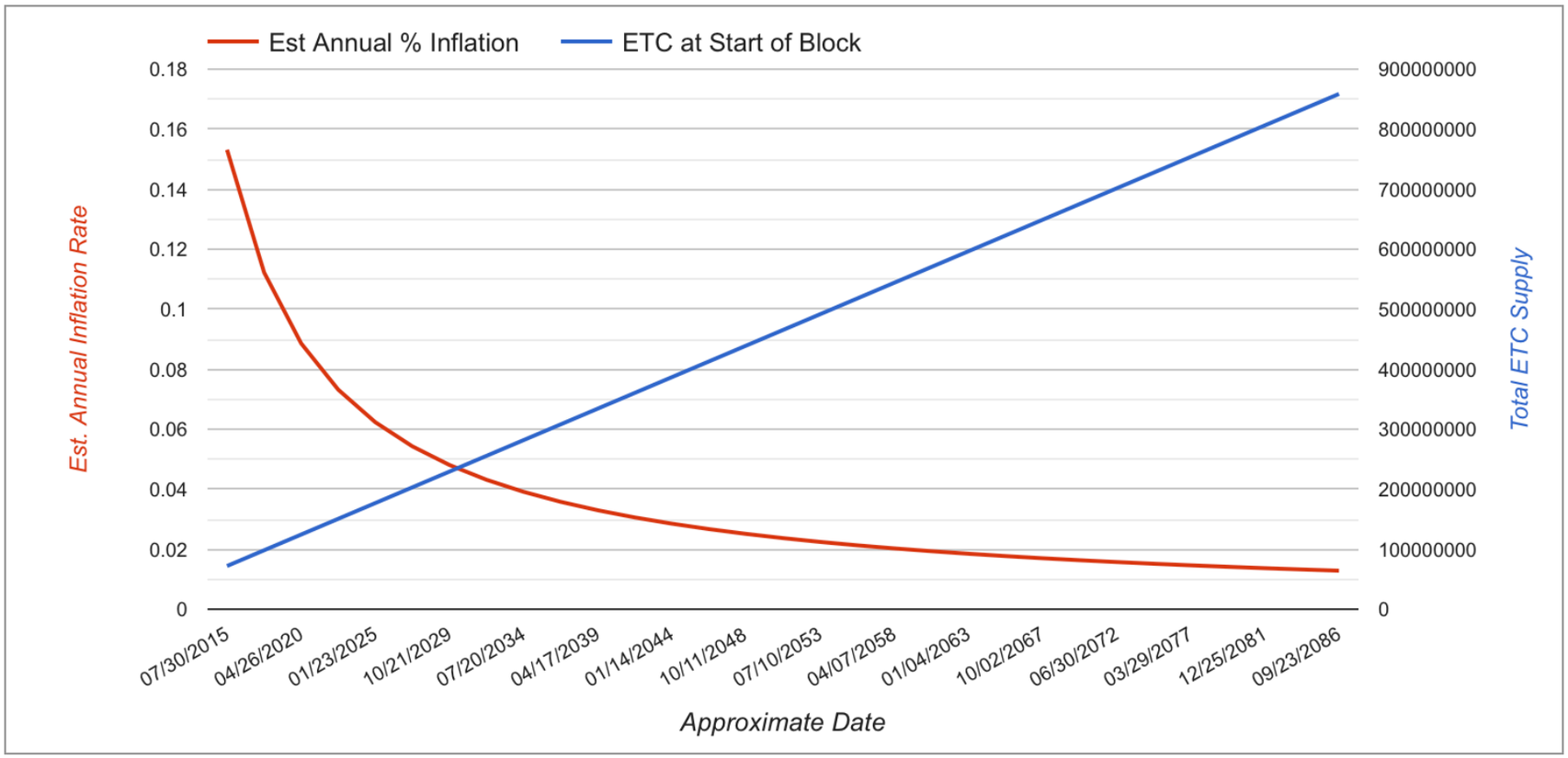
ECIP-1017

Current Network Hash Rate

≈ 700 GH/s



REASONING

- Large scale, high risk, high profile applications will not use a chain with weak security

- Speculation demand drives the price until utility demand exceeds speculative demand
  - Especially important to new systems
    - ETC is a new system
    - However, AMZN :)

- “Bootstrap” security of the network by rewarding early, high risk investment
  - Incentivize speculation / increase speculative demand

- A MP which sets out to achieve “optimal total investment” will *perform better* than a MP which sets out to achieve near term investment.

GOALS & METRICS

- Simple, easy to understand, predictable
  - Complexity introduces risk to users, reducing trust in the policy

- Allows time for development, adoption, and awareness of implementation

- Rate *resembles* bitcoin model
  - Only generally accepted production model in crypto
  - Depreciating rate of production over time
  - Upper bound on total units
  - 50% distribution date
  - 3% inflation rate date

5M20 MODEL

- 20% reduction of all awards every 5M blocks

- Equalize uncle rewards at block 5M
  - More fairly distributes ETC to miners
  - Reduces incentive to “farm uncles”
  - Enables for more accurate forecasting of future upper bound
  - Still provides an incentive to remain on the network

MP ANALYSIS

ETC Monetary Policy Analysis

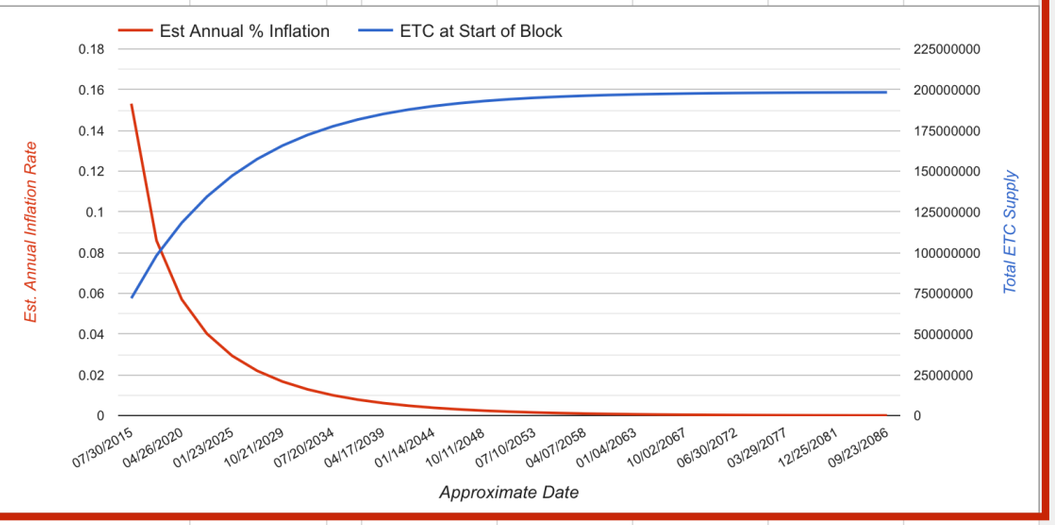
File Edit View Insert Format Data Tools Add-ons Help All changes saved in Drive

5n4pr011@gmail.com

Comments Share

Block Number	ETC at Start of Block	Max ETC per Block	Block Reward	Est Uncle Reward	Est Total Reward	Inflation % per Era	Est Annual % Inflation	Est Start Date
0	72,002,454.77	14.0625	25,000,000.00	1,223,437.50	26,223,437.50	36.42%	15.31%	07/30/2015
5,000,000	98,225,892.27	4.5	20,000,000.00	67,500.00	20,067,500.00	20.43%	8.59%	12/12/2017
10,000,000	118,293,392.27	3.6	16,000,000.00	54,000.00	16,054,000.00	13.57%	5.71%	04/26/2020
15,000,000	134,347,392.27	2.88	12,800,000.00	43,200.00	12,843,200.00	9.56%	4.02%	09/09/2022
20,000,000	147,190,592.27	2.304	10,240,000.00	34,560.00	10,274,560.00	6.98%	2.94%	01/23/2025
25,000,000	157,465,152.27	1.8432	8,192,000.00	27,648.00	8,219,648.00	5.22%	2.19%	06/08/2027
30,000,000	165,684,800.27	1.4745600000	6,553,600.00	22,118.40	6,575,718.40	3.97%	1.67%	10/21/2029
35,000,000	172,260,518.67	1.1796480000	5,242,880.00	17,694.72	5,260,574.72	3.05%	1.28%	03/05/2032
40,000,000	177,521,093.39	0.9437184000	4,194,304.00	14,155.78	4,208,459.78	2.37%	1.00%	07/20/2034
45,000,000	181,729,553.17	0.7549747200	3,355,443.20	11,324.62	3,366,767.82	1.85%	0.78%	12/02/2036
50,000,000	185,096,320.99	0.6039797760	2,684,354.56	9,059.70	2,693,414.26	1.46%	0.61%	04/17/2039
55,000,000	187,789,735.24	0.4831838208	2,147,483.65	7,247.76	2,154,731.41	1.15%	0.48%	08/30/2041
60,000,000	189,944,466.65	0.3865470566	1,717,986.92	5,798.21	1,723,785.12	0.91%	0.38%	01/14/2044
65,000,000	191,668,251.77	0.3092376453	1,374,389.53	4,638.56	1,379,028.10	0.72%	0.30%	05/29/2046
70,000,000	193,047,279.87	0.2473901162	1,099,511.63	3,710.85	1,103,222.48	0.57%	0.24%	10/11/2048
75,000,000	194,150,502.35	0.1979120930	879,609.30	2,968.68	882,577.98	0.45%	0.19%	02/25/2051
80,000,000	195,033,080.34	0.1583296744	703,687.44	2,374.95	706,062.39	0.36%	0.15%	07/10/2053
85,000,000	195,739,142.72	0.1266637395	562,949.95	1,899.96	564,849.91	0.29%	0.12%	11/23/2055
90,000,000	196,303,992.63	0.1013309916	450,359.96	1,519.96	451,879.93	0.23%	0.10%	04/07/2058
95,000,000	196,755,872.56	0.0810647933	360,287.97	1,215.97	361,503.94	0.18%	0.08%	08/21/2060
100,000,000	197,117,376.50	0.0648518346	288,230.38	972.78	289,203.15	0.15%	0.06%	01/04/2063
105,000,000	197,406,579.66	0.0518814677	230,584.30	778.22	231,362.52	0.12%	0.05%	05/19/2065
110,000,000	197,637,942.18	0.0415051742	184,467.44	622.58	185,090.02	0.09%	0.04%	10/02/2067
115,000,000	197,823,032.20	0.0332041393	147,573.95	498.06	148,072.01	0.07%	0.03%	02/15/2070
120,000,000	197,971,104.21	0.0265633115	118,059.16	398.45	118,457.61	0.06%	0.03%	06/30/2072
125,000,000	198,089,561.82	0.0212506492	94,447.33	318.76	94,766.09	0.05%	0.02%	11/13/2074
130,000,000	198,184,327.91	0.0170005193	75,557.86	255.01	75,812.87	0.04%	0.02%	03/29/2077
135,000,000	198,260,140.78	0.0136004155	60,446.29	204.01	60,650.30	0.03%	0.01%	08/12/2079
140,000,000	198,320,791.08	0.0108803324	48,357.03	163.20	48,520.24	0.02%	0.01%	12/25/2081
145,000,000	198,369,311.32	0.0087042659	38,685.63	130.56	38,816.19	0.02%	0.01%	05/09/2084
150,000,000	198,408,127.51	0.0069634127	30,948.50	104.45	31,052.95	0.02%	0.01%	09/23/2086
155,000,000	198,439,180.46	0.0055707302	24,758.80	83.56	24,842.36	0.01%	0.01%	02/05/2089
160,000,000	198,464,022.82	0.0044565841	19,807.04	66.85	19,873.89	0.01%	0.00%	06/21/2091
165,000,000	198,483,896.71	0.0035652673	15,845.63	53.48	15,899.11	0.01%	0.00%	11/03/2093
170,000,000	198,499,795.82	0.0028522139	12,676.51	42.78	12,719.29	0.01%	0.00%	03/19/2096
175,000,000	198,512,515.11	0.0022817711	10,141.20	34.23	10,175.43	0.01%	0.00%	08/02/2098
180,000,000	198,522,690.54	0.0018254169	8,112.96	27.38	8,140.35	0.00%	0.00%	12/16/2100
185,000,000	198,530,830.89	0.0014603335	6,490.37	21.91	6,512.28	0.00%	0.00%	05/02/2103
190,000,000	198,537,343.17	0.0011682668	5,192.30	17.52	5,209.82	0.00%	0.00%	09/14/2105
195,000,000	198,542,552.99	0.0009346134	4,153.84	14.02	4,167.86	0.00%	0.00%	01/28/2108
200,000,000	198,546,720.84	0.0007476907	3,323.07	11.22	3,334.29	0.00%	0.00%	06/12/2110
205,000,000	198,550,055.13	0.0005981526	2,658.46	8.97	2,667.43	0.00%	0.00%	10/26/2112
210,000,000	198,552,722.56	0.0004785221	2,126.76	7.18	2,133.94	0.00%	0.00%	03/11/2115

Starting Date	07/30/2015			MAX ETC REWARD PER BLOCK (ERA 1)			
Starting Value	72,002,454.77	Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total	
		Miner	5	0.15625	0.15625	5.3125	
Block Time (s)	15	Uncle Miner	0	4.375	4.375	8.75	
Blocks Per Year	2,102,400	Total	5	4.53125	4.53125	14.0625	
Blocks In Era 1	5,000,000		MAX ETC REWARD PER BLOCK (ERA 2)				
Blocks In Eras 2+	5,000,000	Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total	
Blocks Per Epoch	30,000	Miner	4	0.125	0.125	4.25	
Years In Era 1	2.38	Uncle Miner	0	0.125	0.125	0.25	
Years in Eras 2+	2.38	Total	4	0.25	0.25	4.5	
Reduction Rate Eras 2+	0.2	Current Block #		Estimated Cap	198,563,392.27		
		2,650,000		Hard Cap	231,447,751.65	Estimated Date	
Avg. Uncles/Block Era 1	0.054			50% Mined	99,281,696.14	01/26/2018	
Avg. Uncles/Block Era 2+	0.054			90% Mined	178,707,053.04	03/21/2035	
				99% Mined	196,577,758.35	09/15/2059	
Epoch Reduction	✖			Annual Inflation	0.03	12/02/2024	



5M20 | Updates | Thoughts on Monetary Policy | Notes | Option 1 | Option 2 | Option 3 | Current ETC | Bitcoin | Gaming 1 | Gaming 2 | Gaming 3 | Gaming 4 | Ga

CURRENT MP

(All Eras)

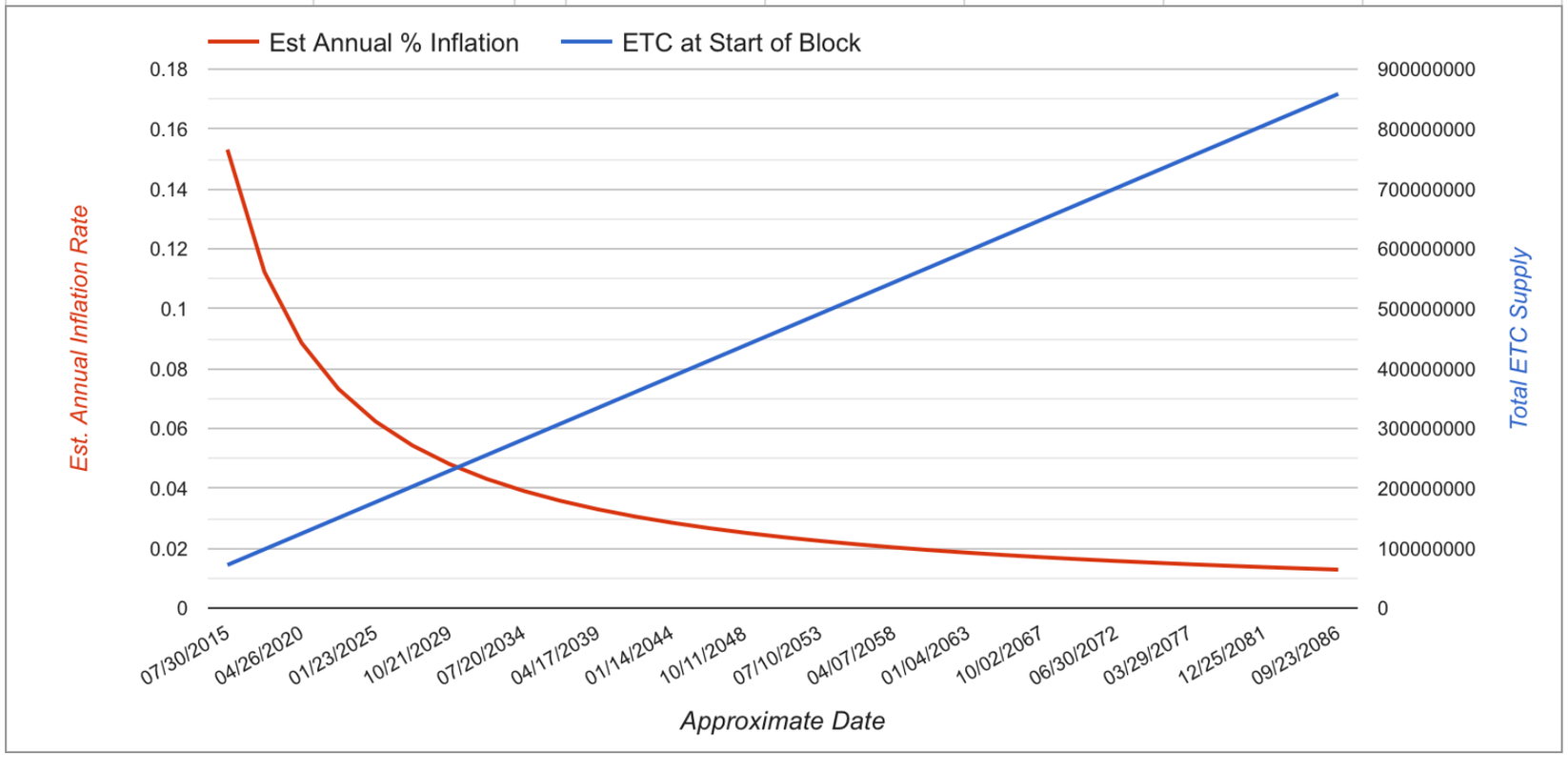
5 ETC - 14.0625 ETC / block

in perpetuity

3% inflation Estimated in 2042

Almost 3x longer than bitcoin

Starting Date	07/30/2015			MAX ETC REWARD PER BLOCK (ERA 1)			
Starting Value	72,002,454.77		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
			Miner	5	0.15625	0.15625	5.3125
Block Time (s)	15		Uncle Miner	0	4.375	4.375	8.75
Blocks Per Year	2,102,400		Total	5	4.53125	4.53125	14.0625
Blocks In Era 1	5,000,000			MAX ETC REWARD PER BLOCK (ERA 2)			
Blocks In Eras 2+	5,000,000		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
Blocks Per Epoch	30,000		Miner	5	0.15625	0.15625	5.3125
Years In Era 1	2.38		Uncle Miner	0	4.375	4.375	8.75
Years in Eras 2+	2.38		Total	5	4.53125	4.53125	14.0625
Reduction Rate Eras 2+	0		Current Block #		Estimated Cap	26,269,216,517.2	
			2,800,000		Hard Cap	70,359,812,579.7	Estimated Date
Avg. Uncles/Block Era 1	0.054				50% Mined	13,134,608,258.6	01/07/3197
Avg. Uncles/Block Era 2+	0.054				90% Mined	23,642,294,865.5	05/22/4147
					99% Mined	26,006,524,352.1	03/22/4361
Epoch Reduction	✖				Annual Inflation	0.03	05/04/2042



ECIP-1017

Era 1

5 ETC - 14.0625 ETC / block

Blocks 1 - 5M

Era 2

20% reduction of rewards at block 5M

Uncle rewards equalized

20% reduction every 5M blocks thereafter

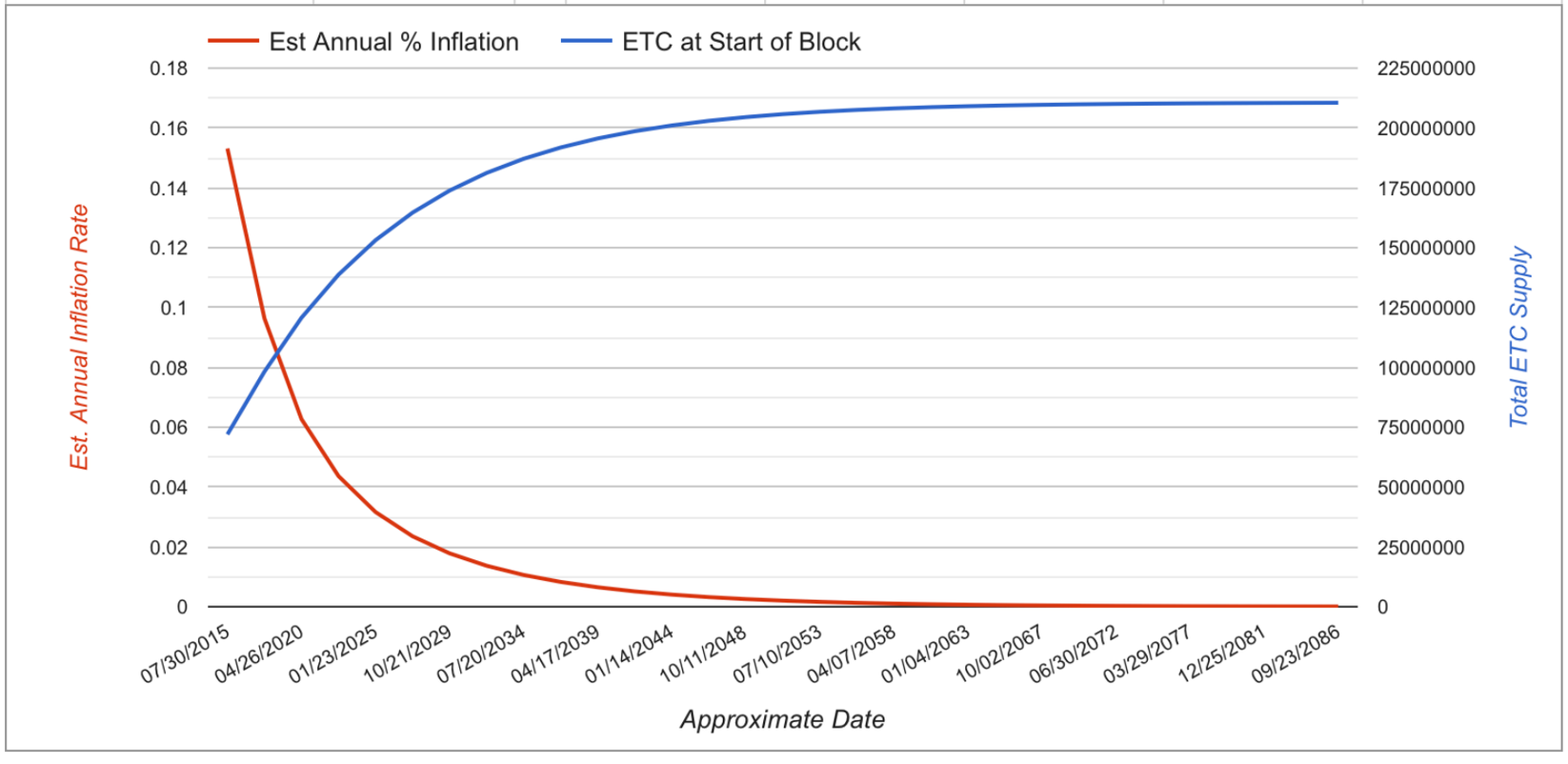
50% Distribution Date

Sept 2018

3% Inflation Date

July 2025

Starting Date	07/30/2015			MAX ETC REWARD PER BLOCK (ERA 1)			
Starting Value	72,002,454.77		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
			Miner	5	0.15625	0.15625	5.3125
Block Time (s)	15		Uncle Miner	0	4.375	4.375	8.75
Blocks Per Year	2,102,400		Total	5	4.53125	4.53125	14.0625
Blocks In Era 1	5,000,000			MAX ETC REWARD PER BLOCK (ERA 2)			
Blocks In Eras 2+	5,000,000		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
Blocks Per Epoch	30,000		Miner	4	0.125	0.125	4.25
Years In Era 1	2.38		Uncle Miner	0	0.125	0.125	0.25
Years in Eras 2+	2.38		Total	4	0.25	0.25	4.5
Reduction Rate Eras 2+	0.2		Current Block #		Estimated Cap	210,725,892.27	
			2,800,000		Hard Cap	230,125,079.77	Estimated Date
Avg. Uncles/Block Era 1	0.054				50% Mined	105,362,946.14	09/13/2018
Avg. Uncles/Block Era 2+	2				90% Mined	189,653,303.04	10/26/2035
					99% Mined	208,618,633.35	04/06/2060
Epoch Reduction	✖				Annual Inflation	0.03	07/16/2025



BITCOIN MP

(Era 1)

50 BTC / Block

Halving roughly every 4 years

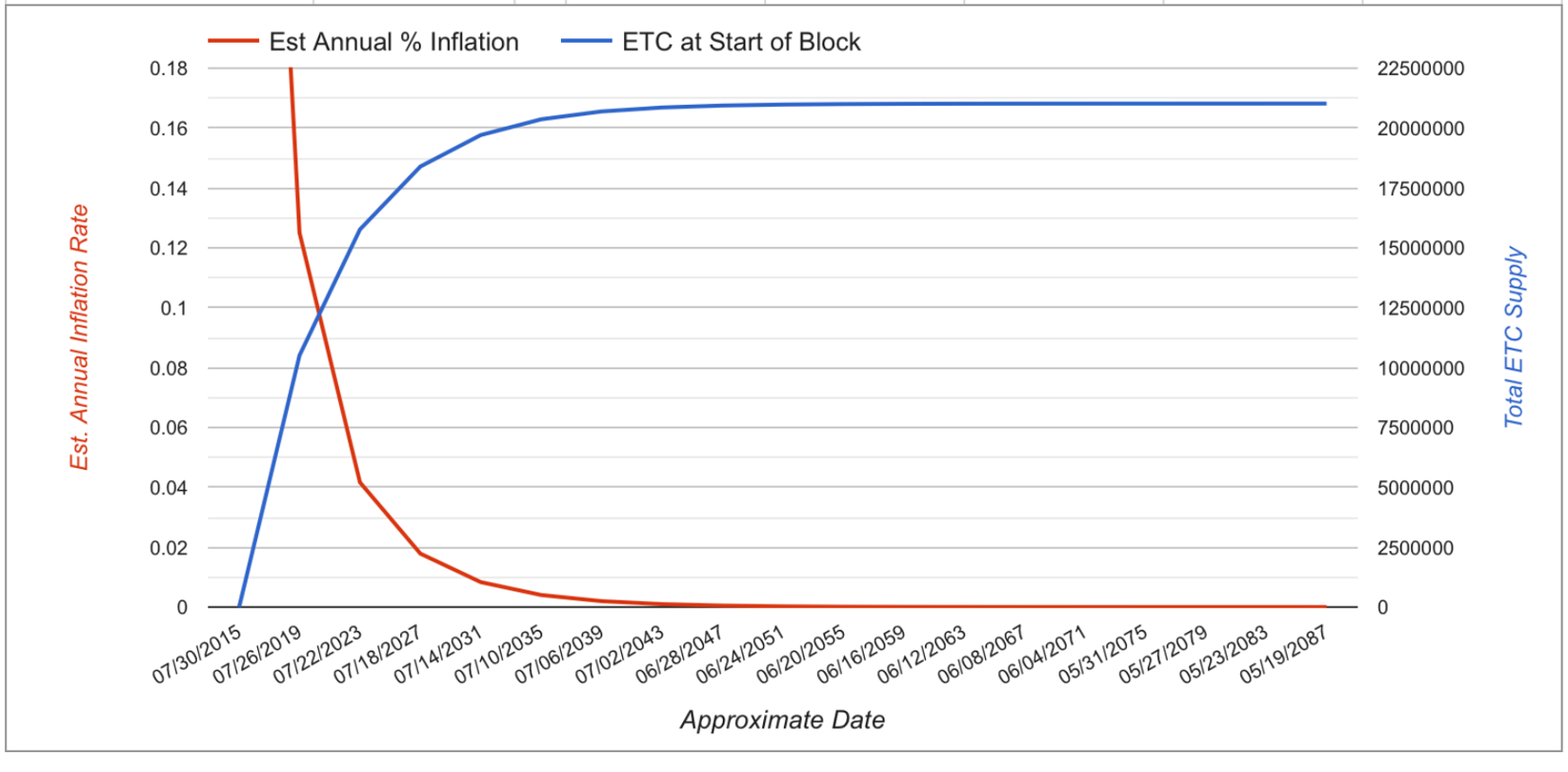
50% Distribution Date

July 2019

3% Inflation Date

July 2025

Starting Date	07/30/2015			MAX ETC REWARD PER BLOCK (ERA 1)			
Starting Value	0.00		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
			Miner	50	0	0	50
Block Time (s)	600		Uncle Miner		0	0	0
Blocks Per Year	52,560		Total	50	0	0	50
Blocks In Era 1	210,240			MAX ETC REWARD PER BLOCK (ERA 2)			
Blocks In Eras 2+	210,240		Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
Blocks Per Epoch	30,000		Miner	25	0	0	25
Years In Era 1	4.00		Uncle Miner	0	0	0	0
Years in Eras 2+	4.00		Total	25	0	0	25
Reduction Rate Eras 2+	0.5		Current Block #		Estimated Cap	21,024,000.00	
			2,800,000		Hard Cap	21,024,000.00	Estimated Date
Avg. Uncles/Block Era 1	0				50% Mined	10,512,000.00	07/26/2019
Avg. Uncles/Block Era 2+	0				90% Mined	18,921,600.00	02/21/2029
					99% Mined	20,813,760.00	05/22/2042
Epoch Reduction	✖				Annual Inflation	0.03	07/04/2025



METRICS COMPARISON

ECIP-1017

Estimated Cap	210,725,892.27	
Hard Cap	230,125,079.77	Estimated Date
50% Mined	105,362,946.14	09/13/2018
90% Mined	189,653,303.04	10/26/2035
99% Mined	208,618,633.35	04/06/2060
Annual Inflation	0.03	07/16/2025

Bitcoin

Estimated Cap	21,024,000.00	
Hard Cap	21,024,000.00	Estimated Date
50% Mined	10,512,000.00	07/26/2019
90% Mined	18,921,600.00	02/21/2029
99% Mined	20,813,760.00	05/22/2042
Annual Inflation	0.03	07/04/2025

Very Close Dates

METRICS COMPARISON

ECIP-1017

Estimated Cap	210,725,892.27	
Hard Cap	230,125,079.77	Estimated Date
50% Mined	105,362,946.14	09/13/2018
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Bitcoin

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99% Mined	20,813,760.00	05/22/2042
Annual Inflation	0.03	07/04/2025

Dates off by 10 months

But “risk” period began in Sept 2014,
so add 11 months to ECIP-1017
=
Dates are off by one month

ECIP-1017 isn't a perfect mirror reflection of bitcoin’s model, but it provides the closest resemblance to it in key metrics while still retaining simplicity and time for development, implementation and adoption.

(ETCC Feedback provided by Roy Zou aka pyds1977)

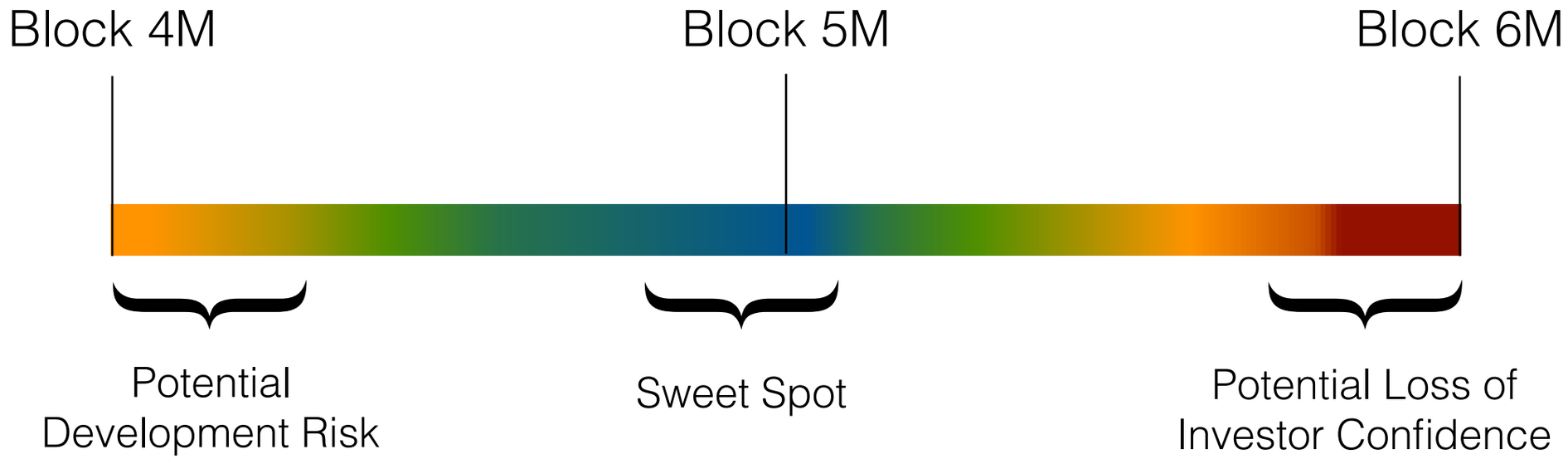
Can’t occur due to time constraint

Lowest vote count

Equal acceptance rate
and
sits in between
4M and 6M Block Eras

Argument #1

Too long, we need to start the Eras at block 4M, or sooner


Block 4M
Block 5M
Block 6M
Potential
Development Risk
Sweet Spot
Potential Loss of
Investor Confidence

Argument #2

Too many coins, needs to be in the 120M-150M range

Genesis block $\frac{72{,}002{,}454.77}{120{,}000{,}000} = \mathbf{60\%}$

Genesis block $\frac{72{,}002{,}454.77}{150{,}000{,}000} = \mathbf{48\%}$

Current
≈ 18 months $\frac{86{,}796{,}809}{150{,}000{,}000} = \mathbf{58\%}$

Distribution of total coins occurs too soon

Risk of centralization of token ownership

Optimal investment unlikely

Argument #3

ETC doesn’t need to resemble Bitcoin’s long, drawn out MP.

That was only required because bitcoin was a new concept.

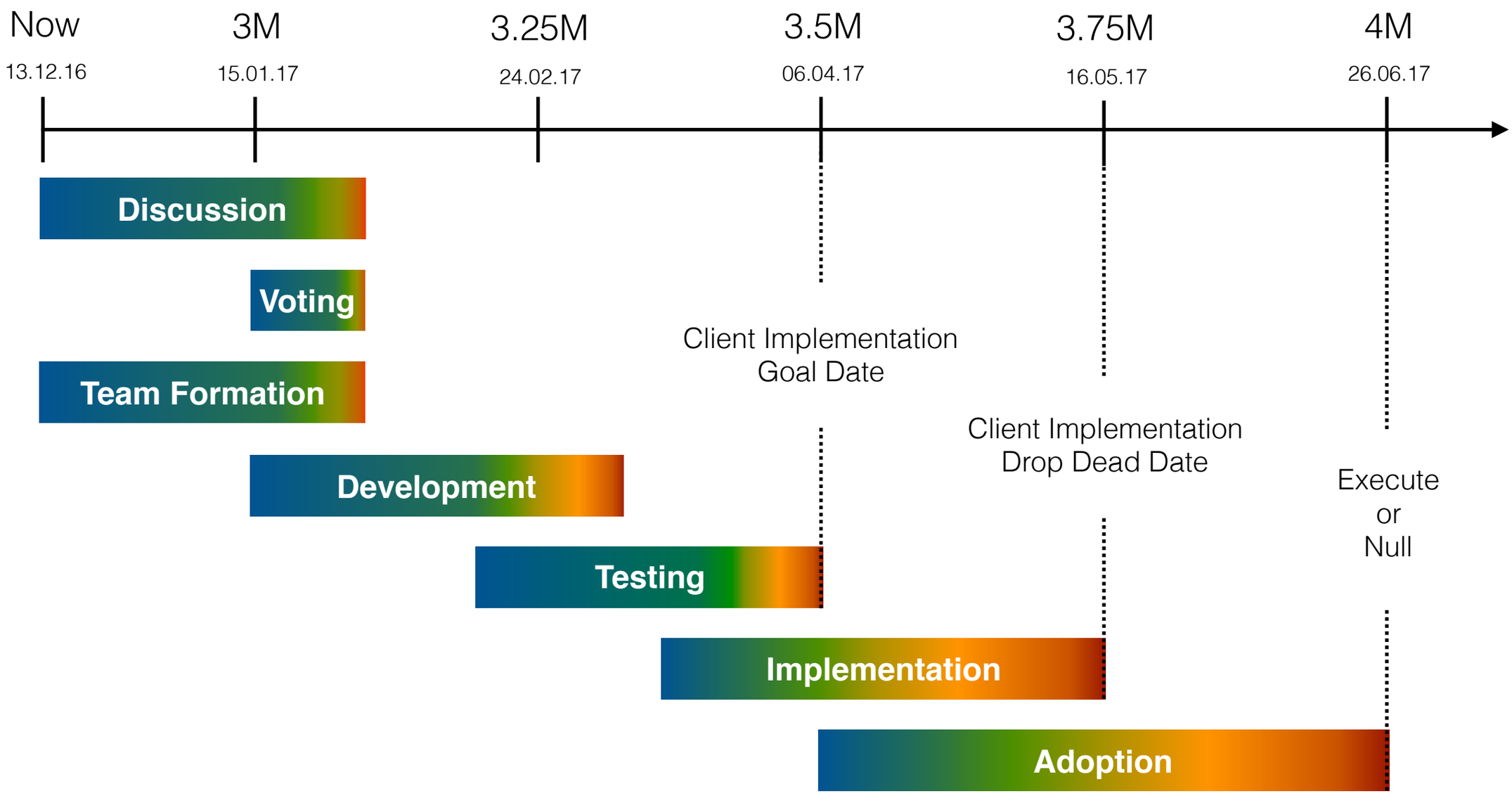
Any sufficiently disruptive crypto should not need to resort to changing from a known, working model (bitcoin)

Any sufficiently disruptive crypto will likely require a bitcoin length time period for the market to figure out the value proposition.

A crypto which chooses to part too far from bitcoin's model, or at least from relevant bitcoin distribution metrics, is using MP as a crutch, a marketing gimmick, and/or as its main selling point.

Path to Implementation

250k blocks ≈ 40 days



While it is important to incentivize early, high risk investment,

the monetary policy should not remain a focal point of the network.

There are enough unknowns and complexities when it comes to ETC,

a monetary policy should not add to them.