



Mining Pool Dangers

Mining Pools



The Bitcoin Mining Arms Race: x

Secure | https://www.coindesk.com/bitcoin-mining-detente-ghash-io-51-issue/

The Bitcoin Mining Arms Race: GHash.io and the 51% Issue

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Jon Matonis

Jul 17, 2014 at 16:20 UTC

NEWS

Tensions over bitcoin's long-term security have eased following a hastily-arranged roundtable of mining participants on 9th July in London.

With representatives from all areas of bitcoin mining and ASIC hardware manufacturing [in attendance](#), the most significant thing about the meeting was that it even occurred at all.

A forum for discussing these issues is critical to maintaining the integrity of the bitcoin network, as its overall health depends on smooth mining operations with a minimum amount of orphaned blocks, hard forks and dominant players capable of executing a [51% attack](#).

Last month, Jeffrey Smith (CIO of bitcoin's biggest mining pool, GHash.io) [announced](#) a new focus on openness, reiterating the company's willingness to "address the decentralization of mining as an industry". Thus, it was natural for Smith and GHash to convene the first forum on bitcoin mining.

[According](#) to Ittay Eyal and Emin Gün Sirer from *Hacking, Distributed*:

How many people do you think own bitcoin?

☐

0 - 5 million

☐

5 - 10 million

☐

10 - 25 million

☐

25 - 50 million

☐

50 million +

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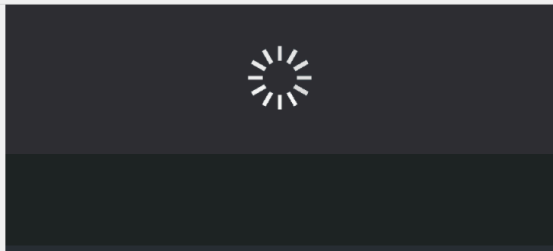

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GHASH.IO

MINING POOL #1

GHash Commits to 40% Hashrate Cap at Bitcoin Mining Summit

Mining Pools Danger



- Influence which transactions enter the blockchain
- Inflate transaction fees/Ethereum gas price
- Collude with each other (to reach 51%, selfish mining)

F2Pool Allegedly Prevented Users From
Investing in Status ICO

<https://themerple.com/f2pool-allegedly-prevented-users-from-investing-in-status-ico/>

Mining Pools Danger



- Network layer attacks
- Political and Regulatory danger
- Pool operators are trusted to pay out reward
- Influence voting mechanisms (cf. SegWit)

