

Performance Evaluation Experiments of Bitcoin SV Scaling Test Network

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Abstract The Bitcoin SV Scaling Test Network (STN) is an experimental network for solving the scalability problem of Bitcoin with on-chain technology. A large amount of transactions are always transmitted on P2P networks, and experiments are conducted to generate huge blocks. In this study, by constructing the STN node, the occupancy rate of transaction processing and the branch probability of the blockchain are estimated. As a result, the estimated occupancy rate was about 1.04 and the estimated branch probability was 8.5%. In addition, the transaction processing performance was experimentally evaluated by transferring transactions including the OP_RETURN script at a high frequency of once per minute for a period of one week. As a result, the probability of the transaction being processed into BC was 98%. It was also confirmed that the latency distribution taken for transactions to be processed in tended to follow a power-law distribution at the tail. From the above, the consideration by the queueing theory with priority seems to be effective even in STN.

1 Introduction

The origin of blockchain is a theoretical study on distributed timestamp services for electronic documents by Haber and Stornetta in the early 1990s [1, 2, 3]. At that time, the Internet was insufficiently developed, and it was difficult to use the proposed system in a real environment. However, the real environment was prepared by the time that Bitcoin [4] appeared in 2008, and the operation of the peer-to-peer

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electronic cash system started on January 3, 2009. Since then, the system has never stopped working. As a result of this achievement by Bitcoin, the word “Blockchain” (Hereinafter abbreviated as BC) was born and it has attracted attention though it is essentially the same technology as the distributed time stamp services. Therefore, the new idea created by Bitcoin was not BC, but Nakamoto Consensus (仲基合意), where an unspecified number of nodes participating in the network form a consensus on BC. Although research on consensus algorithms had been conducted before the advent of Bitcoin, Nakamoto Consensus was innovative in that it proposed a method to form consensus among unspecified number of nodes on the Internet scale by combining multiple mechanisms such as Proof of Work (PoW)[5, 6], longest-chain rule, and incentive mechanism.

The innovative use value of Bitcoin is in micropayments of less than one yen or cent that can be realized by making transaction fees extremely low. Micropayment makes it possible to collect near zero (the level at which people don’t care about paying) charges from a large number of users when using various services on the Internet. Micropayments therefore have the potential to create new decentralized economic mechanisms that have never existed before. However, the current Bitcoin Core (BTC) [7] is not used for ordinary payments as an electronic money system, but has become a store-of-value system for speculative purposes. Behind this, there is a technical issue that make BTC practically difficult to perform many micropayments.

The block size limit of BTC is 1 MB, and blocks larger than this are rejected by miners. The average block generation time interval for BTC is controlled to ten minutes by a difficulty adjustment algorithm. Therefore, the system can only approve transactions that can be recorded in a block of 1 MB at maximum every ten minutes on average. This means that transaction processing capacity is about 7 Transactions Per Second (TPS) at maximum, which is much slower than 56,000 TPS of VISA credit cards. To speed up the transaction processing capacity of a BC system, one might think it becomes better to simply increase the upper limit of block size or shorten the average block generation time interval. However, the larger the block size, the more time it takes to transfer and share the block to all nodes on the P2P network. Therefore, another block is easily generated before the previously generated block is distributed to the whole P2P network, and the probability that the BC is split increases. When the BC is split, the hash rate of nodes that drives block generation is fragmented and its security is degraded. The same problem occurs even if the average block generation time is shorter than 10 minutes. For these reasons, there are technical difficulties in improving the transaction processing capacity, which is called blockchain scalability problem.

Various research proposals have been made to solve the scalability problem [8] and we are also engaged in it with some previous works [9, 10, 11, 12, 13]. Among them, a technique like Lightning network [14], in which a large amount of transactions are executed outside BC, and only the final result is written in BC at once, is attracting attention to reduce the amount of transactions to approve. This called off-chain scaling technique because it avoids the scalability problem by utilizing a system outside BC. Off-chain technology looks good, but individual transaction processing does not remain in BC.

Bitcoin has a history of being used as an illegal transaction platform in darknet markets. In recent years, however, many cases have been reported that managers and users of these markets have been arrested [15, 16, 17]. These arrests are based on the fact that transactions published on the BC are tamper resistant and are used as legal evidence. From this point of view, as the off-chain technology spreads, the number of transactions that cannot be tracked and audited by the government increases, making it difficult to control illegal transactions in the darknet market and becoming a hotbed for money laundering or terrorist financing. For this reason, considering the balance with law and ethics, it is ultimately required to solve the scalability problem by the on-chain technology to approve all transactions on BC.

In order to solve the scalability problem with on-chain, BloXroute[18] introduced the network layer called Blockchain Distribution Network for additionally connecting to the P2P network to propagate larger blocks in a shorter time. The effort to increase the block size limit is being experimented by Bitcoin SV (BSV) [19] Scaling Test Network (STN) [20]. The block size limit of BSV is eliminated, while that of BTC is 1 MB. As of May 27, 2022, the average transaction processing capacity of last 24 hours was reportedly 545 TPS, and the largest block size ever mined was 4 GB.

This paper reports some experimental results of data analysis and performance evaluation on transaction processing in STN. The contribution of this paper is summarized below:

- Using the queueing theory, we investigate the time variation of occupancy rate on transaction processing. As the result, we show that the estimated occupancy rate exceeded 1 during most of the time.
- Using the function of bitcoin-cli, we estimate the BC split probability. The result shows that the split probability for BTC is theoretically calculated as 2%, while that for BSV STN is experimentally estimated as about 8.5%. Using this result, it was also confirmed that the average block propagation time for BSV STN is calculated to be about 53 seconds.
- We also experimentally measured the latency time until transactions containing OP_RETURN script is approved to taken into BC by sending transactions frequently as well as once per minute on average. As a result, the probability that a transaction is taken into BC is 98%, and the latency time distribution tends to follow a power distribution with exponent $3/2$, which is consistent with the theory of priority queueing.

2 Related Works

2.1 Calculation of BC Split Probability

It is known that the block generation time interval of Bitcoin follows an exponential distribution.

$$F(t) = P(T \leq t) = \int_0^t \lambda e^{-\lambda t'} dt' = 1 - e^{-\lambda t}, \quad (1)$$

where the parameter λ is the inverse of the average block generation time. For Bitcoin, the average block creation time is $1/\lambda = 10 \text{ minutes} = 600 \text{ seconds}$.

The average latency time for a block to spread to 90% of all the nodes in the P2P network of BTC is experimentally measured as $t = \tau_{fork} \doteq 12 \text{ seconds}$ before Compact Block Relay is applied [18]. If another block is generated before the block is spread over the whole network, BC becomes split. Therefore, the BC split probability of BTC can be calculated as 2% as follows.

$$F(\tau_{fork}) = P(T \leq \tau_{fork}) = 1 - e^{-\lambda \tau_{fork}} \doteq \lambda \tau_{fork} = 12/600 = 0.02. \quad (2)$$

2.2 Theory of Priority Queuing

Consider a queue with priority that serves customers with high priority first. It is known from the analysis of priority queueing that when the occupancy rate is $0 < \rho \leq 1$, the latency time of low priority customers follows a power distribution with a power exponent of $3/2$, and the tail of the distribution also has an exponential cutoff[21].

$$P(\tau) = \frac{A}{\tau^{3/2}} \exp(-\tau/\tau_0), \quad (3)$$

$$\tau_0 = \frac{1}{\mu(1 - \sqrt{\rho})^2}, \quad (4)$$

$$\rho = \lambda/\mu, \quad (5)$$

where A is the normalized constant of the probability distribution, λ is the average arrival rate of customers, and μ is the average service rate. It has also been reported that the same power distribution is followed when the occupancy rate takes the supercritical state, *i.e.*, $\rho > 1$. The difference from the case of $0 < \rho \leq 1$ is that at a rate of $1 - 1/\rho$, lower priority customers cannot receive the service forever.

Previous research[22] has shown that the latency time for a transaction to be approved in BTC can be explained by the theory of priority queueing where the priority is determined by its transaction fee. Therefore, it is expected that the latency time distribution for a transaction to be approved in BSV STN is followed by the theory of priority queueing as well.

3 Bitcoin SV Scaling Test Network

As an experiment field of the scalability, BSV started STN as a third test network after RegTest and Testnet. In testnet, the block size tends to be small because the

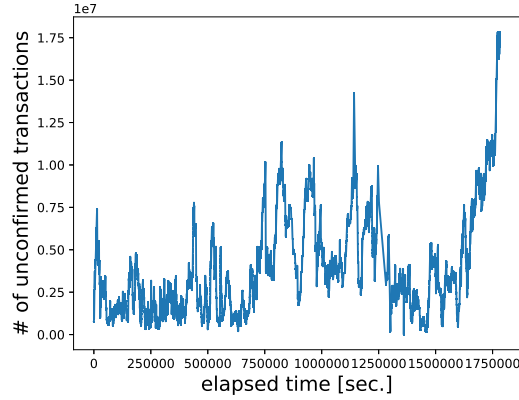


Fig. 1 Trend of unconfirmed transactions in STN.

number of transactions is small, but in STN, a large number of transactions are constantly sent from multiple nodes to make a huge block. Figure 1 shows a trend of the number of unconfirmed transactions in the STN. We collected the number of unconfirmed transactions periodically from the BSV blockchain explorer named whatsonchain[23]. Figure 1 shows that there are regularly more than 1 million transactions in the transaction pool. We can also see that the number of transactions sometimes reaches more than 10 million.

The network of STN is open to the public, and anyone can participate in the network. However, as system requirements for node construction, performance of 8–16 cores for CPU, 64 GB (+64 GB Swap) for memory, over 3 TB for hard disk, and over 1 Gbit for both up and down Internet connection are required. The total size of BC was as huge as 2.4 TB at that time in February 9, 2021, while it was about 22 GB in Testnet and 284 GB in Mainnet. And, the block height of BC of STN became 15,216 as of February 9, 2021, and it is small, which is because BC has been reorganized several times in the past.

CPU mining is possible in STN since the difficulty varies from one to several tens. The block mining difficulty over time is shown in Fig. 2.

It is recommended that STNs be configured with a maximum block size of 10 GB and the number of Bitcoin scripts allowable in a transaction is limited to 2GB of memory. Figures 3 show the size distribution of blocks mined so far. The block size distribution of STN seems to follow an exponential distribution. The largest block size ever mined was 2.9 GB. On the other hand, the figure below in Figs. 3 shows the block size distribution in Mainnet, which interestingly seems to follow a power distribution rather than an exponential distribution. It also seems to obey the Pareto-Zipf law (= the power-law distribution with a power exponent 2). This difference in both the distributions might come from the fact that Bitcoin in Mainnet has a market value and that in STN does not, but the reason why the difference exists is not well understood.

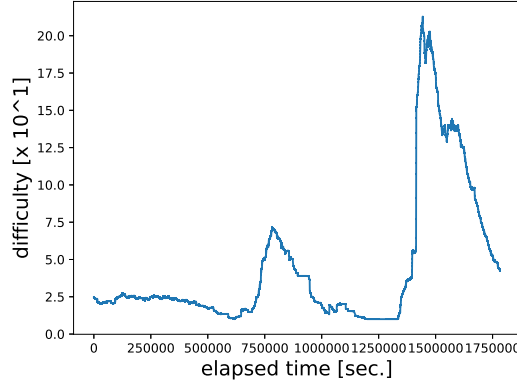


Fig. 2 Block mining difficulty over time.

The BSV recommends recording the miner ID on the blocks mined to assess the reputation of the miner. Figures 4 and 5 show the results of calculating the ranking of block mining frequency with reference to the miner ID. The block mining frequency in both STN and Mainnet seem to follow a power-law distribution.

4 Performance Evaluation Experiments

4.1 Experiment 1: Estimating the Occupancy Rate of Approving Transactions in STN

From the time variation of the number of unconfirmed transactions in Fig. 1, the occupancy rate of STN was estimated. Figure 6 shows the results of calculating the time variation of the estimated occupancy rate of STN $\tilde{\rho}$ based on queuing theory. It is observed that the estimated occupancy rate exceeds 1 in most time periods. This result suggests that there are almost always unapproved transactions. Using collected data from November 4, 2020 to February 9, 2021, the estimated occupancy rate was calculated as $\tilde{\rho} \doteq 1.04$. From these results, it is considered that there is a probability of $1 - 1/\tilde{\rho} \doteq 0.0387$ that transactions are issued but not approved to be finally recorded in BC. The reason why transactions are not approved seems to be that STN always have a large number of unapproved transactions, but miners tend to approve transactions with high fees. So, if the fee is low, the transaction approval will be delayed and eventually forgotten because of overflows from the memory of transaction pool.

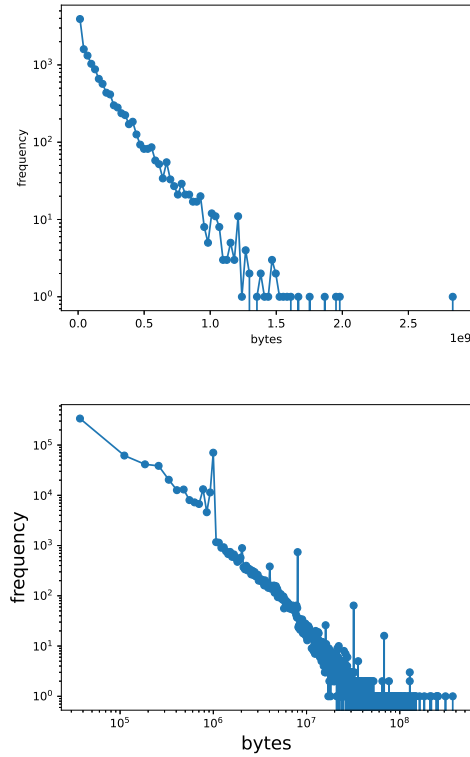


Fig. 3 Block Size Distribution in Bitcoin SV (Above is STN, below is Mainnet).

4.2 Experiment 2: Estimating BC Split Probability

If you run an STN node, you will see that when a large block has been created, a large split of BC will occur and it will go into a safe mode where you will not be able to transfer money using the bitcoin-cli command. Once this large split occurs, it sometimes takes nearly half a day to resolve. We conducted an experiment to estimate this BC split probability using warnings when running the command “bitcoin-cli getinfo”.

During the period from November 4, 2020 to January 13, 2021, the warnings were collected once every 10 seconds. We collected them 594,880 times in total. As the result, we observed two kinds of warnings as follows.

- Warning: The network does not appear to fully agree! We received headers of a large fork. Still waiting for block data for more details. (Occurred 32,724 times, approximately 5.5% in total.)

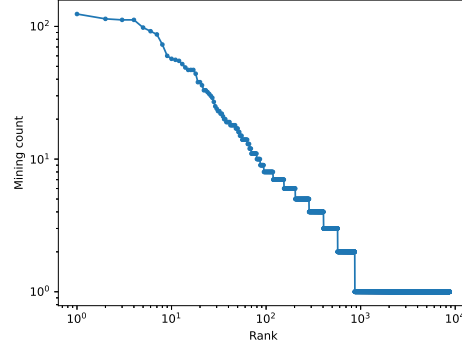


Fig. 4 Block mining frequency ranking calculated with reference to miner ID (STN)

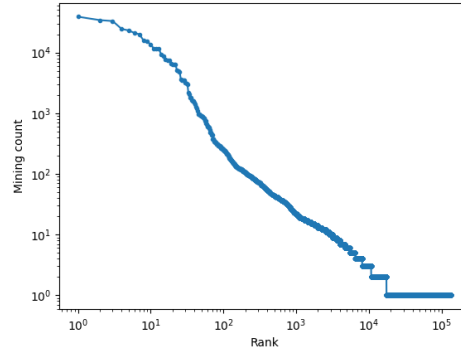


Fig. 5 Block Mining Frequency Ranking Calculated Based on Miner ID (Mainnet)

- Warning: The network does not appear to fully agree! Some miners appear to be experiencing issues. A large valid fork has been detected. (Occurred 17,782 times, approximately 3% in total.)

From these results, we can estimate the BC split probability to be about $(5.5 + 3 =)8.5\%$. This is about four times larger than the BC split probability in BTC. By the way, when the split probability of BSV Mainnet was evaluated by the same method, it became 0%. If $F(t) = 0.085$ and $\lambda = 1/600$ are substituted in Eq. (1), then it derives $t = \tau_{fork} \doteq 53$ seconds, so that the average block propagation time in STN can be estimated to be about 53 seconds.

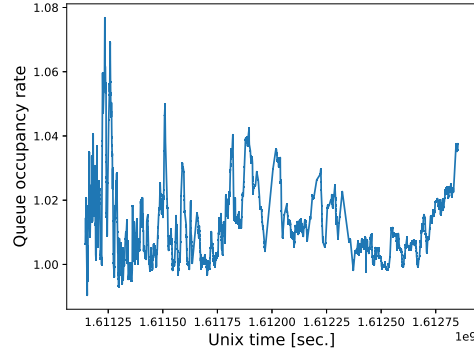


Fig. 6 Time variation of the estimated occupancy rate in STN $\tilde{\rho}$.

4.3 Experiment 3: Testing Transaction Processing Performance

In this paper, we experimentally evaluate how long it takes for transactions to be approved in the situation that there are always many transactions in the transaction pool. Our experimental period was set for 1 week from January 7 to 14, 2021, and the location information of airplanes which flew around Tsudanuma where Chiba Institute of Technology is located was collected using ADS-B [24] every one minutes. To do this, we wrote a program to automatically generate transactions including the collected data using OP_RETURN script to send the P2P network. In the experimental settings, the data size per transaction was less than 63 KB and the transaction fee was fixed at 0.001 BSV. Additional details about the results are available on our Github website¹.

Figure 7 shows the relation between the elapsed time of the experiment period and the block number in which the transaction was approved. In total, 6,828 transactions were sent during the experimental period, and 104 of them were not approved and were not recorded in BC. From this, the probability that the transaction is not approved can be calculated as $(104/6828 \approx) 0.02$. This result is almost the same as the result calculated in Fig. 4.1.

A histogram of the latency time of the transaction to be approved is shown in Fig. 8. Since the distribution of block generation time interval follows the exponential distribution, the latency time also follows the exponential distribution in the short term which are about half a day, but it deviates from the exponential distribution in the long term which are about one week. In fact, as shown in Fig. 8, a linear trend appears in the double-logarithmic plot, which means that it follows the power-law distribution. The power index can be estimated from the slope of the double-logarithm plot and is close to $3/2$. These results are consistent with the theo-

¹ https://github.com/cit-fujihallab/stn_experiments

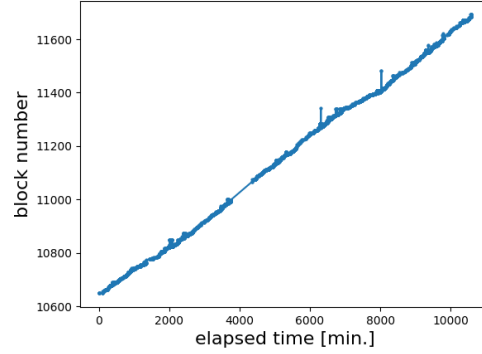


Fig. 7 Relation between the elapsed time and the block number where the transaction was approved.

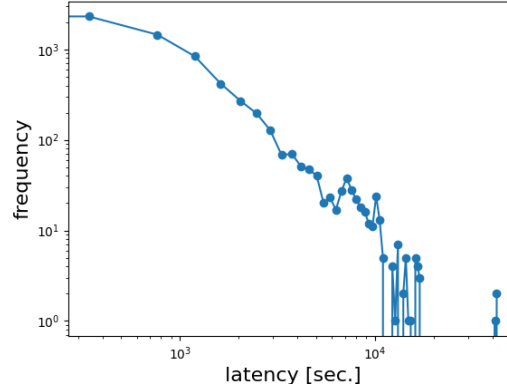


Fig. 8 Histogram of latency time of transaction to be approved.

retical analysis of priority queueing. This indicates that the transaction with low fee becomes low priority, and it takes more time to be approved than that with high fee.

Figure 9 shows the relation between the fee rate (= the ratio of transaction fee per byte of transaction) and the latency time until the transaction is approved. A low fee rate indicates that it is taking a long time for transactions to be incorporated into BC. From the above results, we conclude that it is also effective for STN to be analyzed using the theory of priority queueing as well as BTC.

5 Conclusion

In this study, we conducted data analysis and performance evaluation of Bitcoin SV STN where the upper limit of block size is removed. As a result of examin-

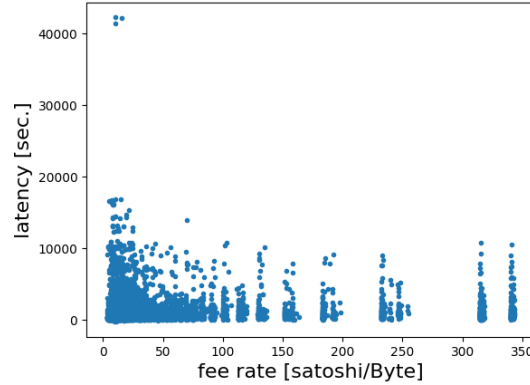


Fig. 9 Relation between the fee rate and the latency time until the transaction is approved.

ing the time variation of the occupancy rate of transaction processing capacity, we showed that the estimated occupancy rate almost always exceeded one. Using the command “bitcoin-cli getinfo”, we estimated the BC split probability. We showed that the probability for STN is about 8.5%, which is more than 4 times larger than that for BTC. The average block propagation time of the P2P network was also estimated to be about 53 seconds. The performance of transaction processing was also experimentally evaluated by transferring transactions containing OP_RETURN scripts at a high frequency of once per minute during one week. As a result, it was found that the probability of transactions being approved was 98%, and the latency time follows the power-law distribution in the long term. We also confirmed that the power index is about $3/2$, which is consistent with the theory of priority queueing. From these results, we concluded that the theory with priority queueing is effective to analyze STN.

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