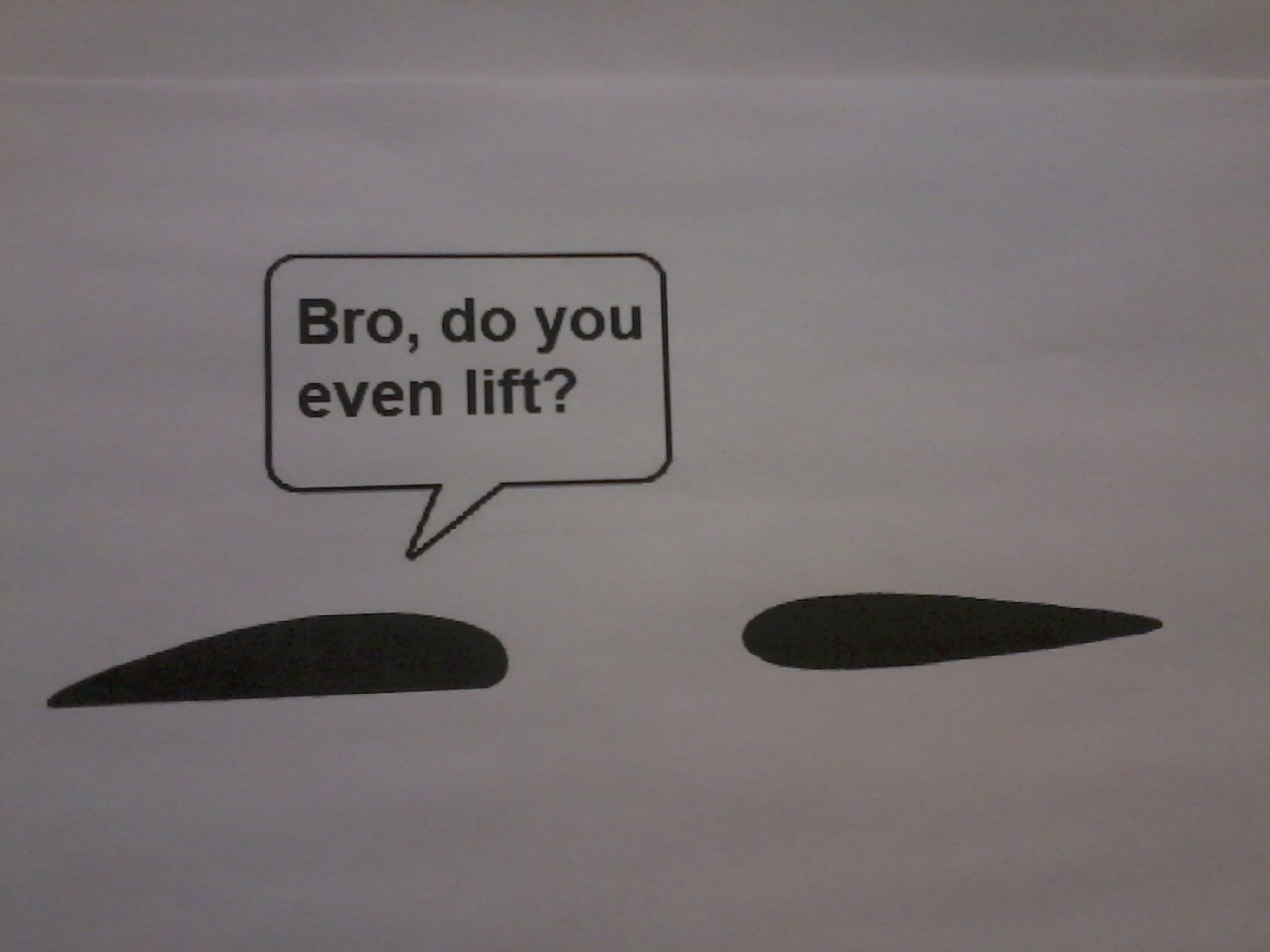
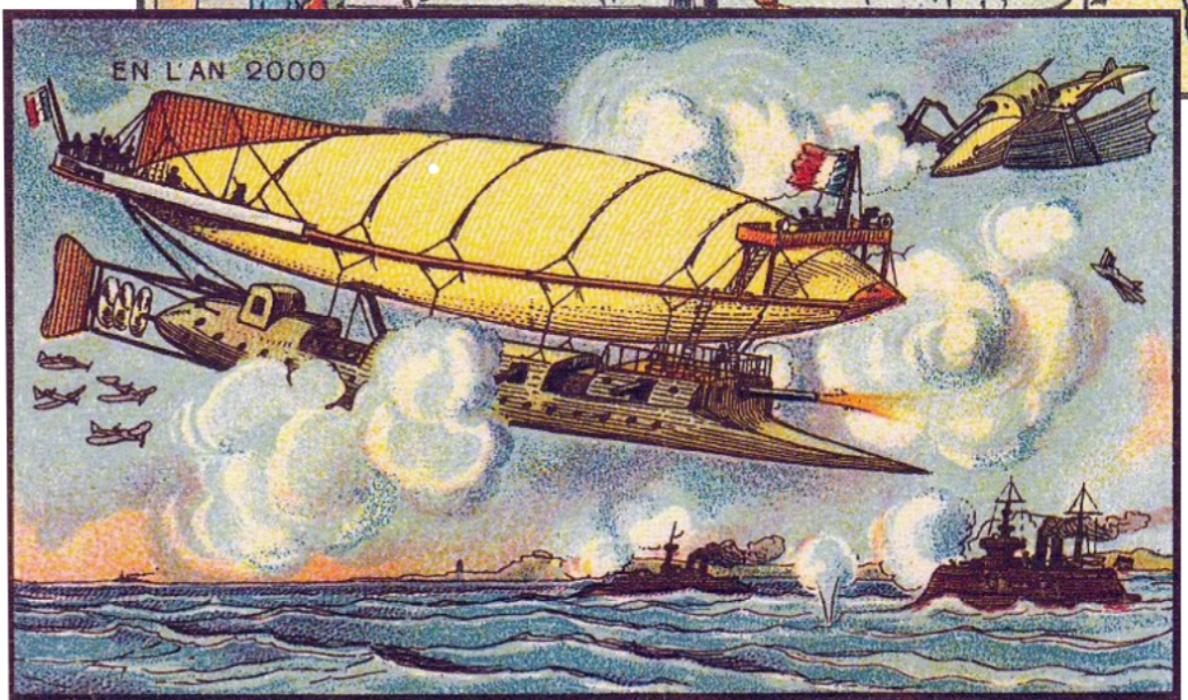
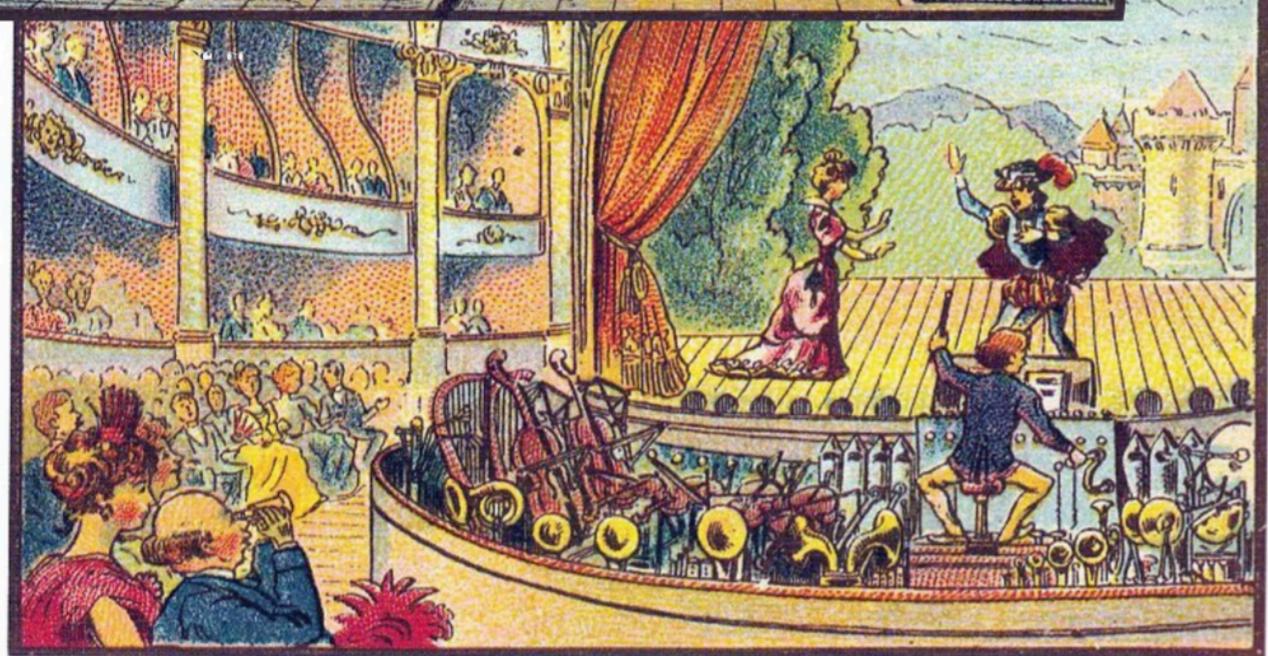
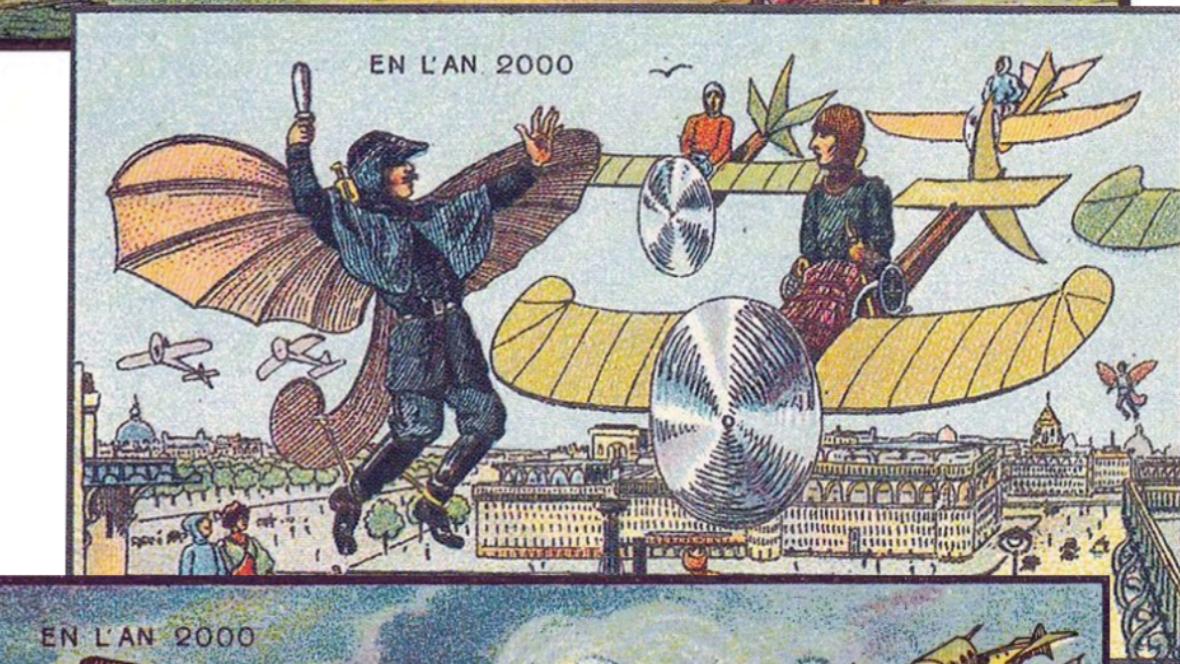
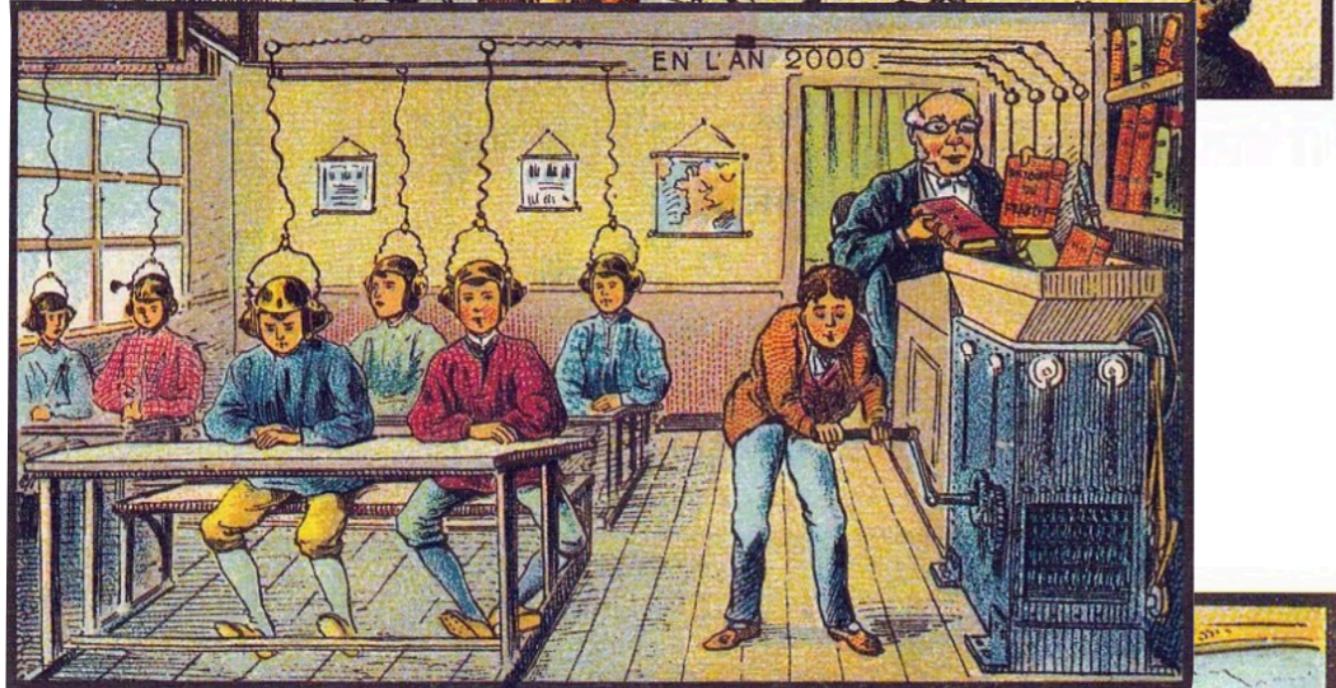
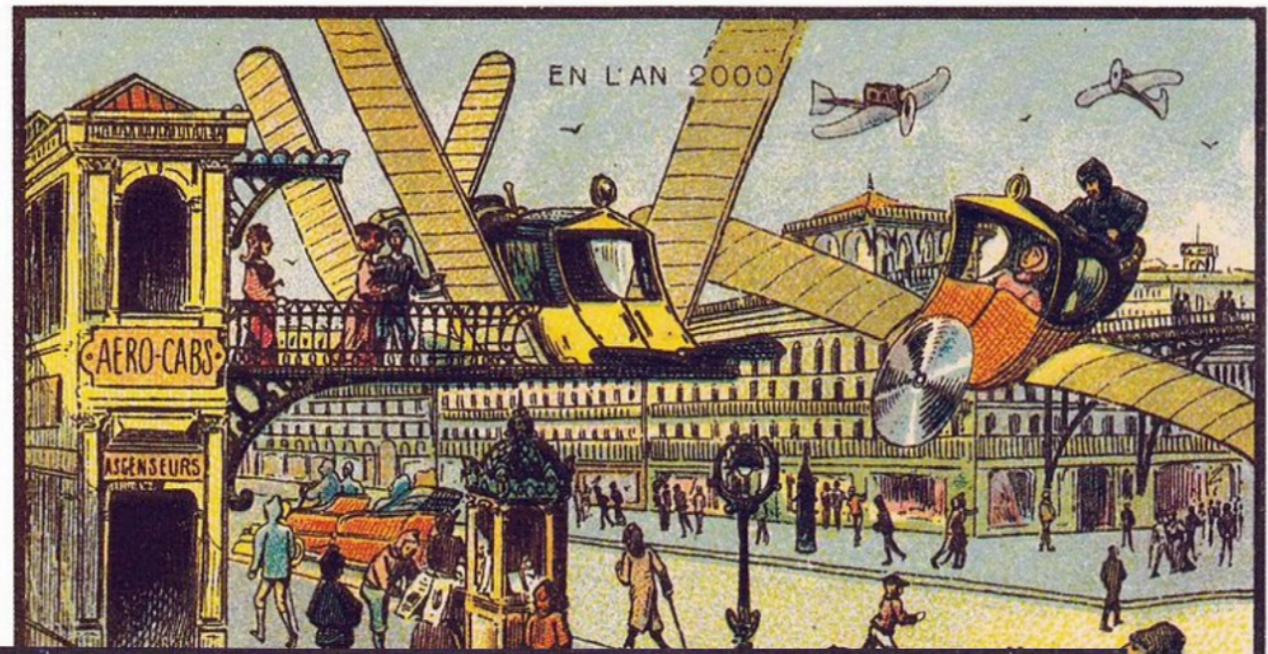


**ECIP-1017**

# Intro



Bro, do you  
even lift?



# The Numbers

## Current

	Block Reward	Uncle Reward 1 (Max)	Uncle Reward 2 (Max)	Total (Max)
Block Miner	5	0.15625	0.15625	5.3125
Uncle Miner	0	4.375	4.375	8.75
Total	5	4.53125	4.53125	14.0625

- Continues in Perpetuity
- Per block range
  - Max = 14.0625 / block
  - Min = 5 / block

## 5M20

	Block Reward	Uncle Reward 1 (Max)	Uncle Reward 2 (Max)	Total (Max)
Block Miner	4	0.125	0.125	4.25
Uncle Miner	0	0.125	0.125	0.25
Total	4	0.25	0.25	4.5

- At block 5M
  - 20% reduction to all rewards
  - Equalize all uncle rewards
- At every additional 5M blocks
  - 20% reduction to all rewards
- Per block range, at block 5M
  - Max = 4.5 / block
  - Min = 4 / block

# Current

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
Block Time (s)	15	Miner	5	0.15625	0.15625	5.3125
Blocks Per Year	2,102,400	Uncle Miner	0	4.375	4.375	8.75
		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	26,337,117,298.5	
		4,820,305		Hard Cap	70,342,063,435.1	Estimated Date
Avg. Uncles/Block Era 1	0.057			50% Mined	13,168,558,649.2	01/10/3197
Avg. Uncles/Block Era 2+	0.057			90% Mined	23,703,405,568.6	05/23/4147
				99% Mined	26,073,746,125.5	03/22/4361
Epoch Reduction	✖️			Annual Inflation	0.03	05/10/2042

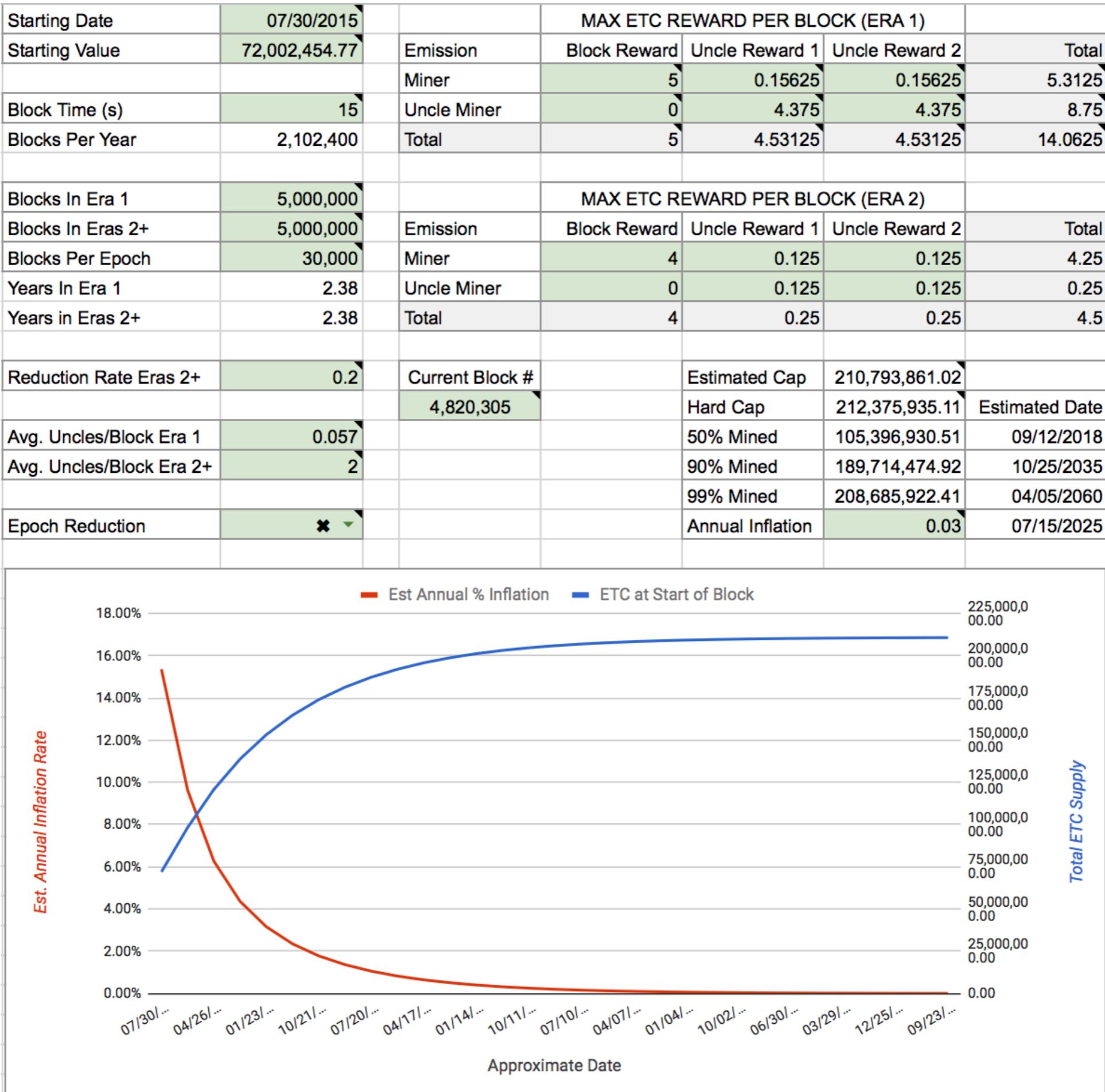
Est Annual % Inflation
—
Est Annual % Inflation
ETC at Start of Block
—
ETC at Start of Block

Est Annual % Inflation
ETC at Start of Block

The chart displays two trends over time (from July 2015 to September 2023). The left Y-axis represents the 'Est. Annual Inflation Rate' as a percentage, ranging from 0.00% to 18.00%. The right Y-axis represents the 'Total ETC Supply' in millions, ranging from 0.00 to 900,000,000. The red line shows a downward trend in inflation, starting at ~15.5% and ending at ~1.5%. The blue line shows an upward trend in total supply, starting at ~150M and ending at ~900M.

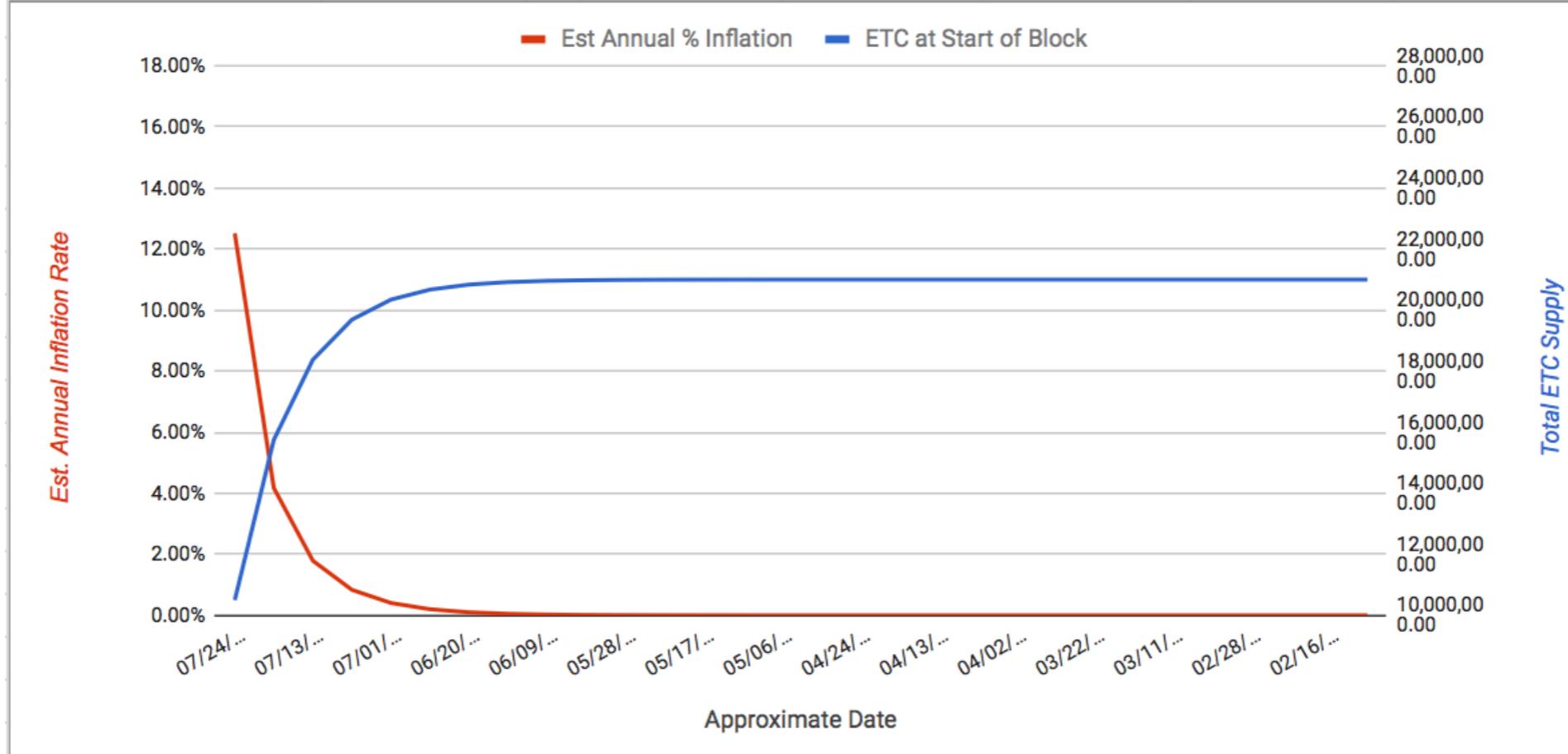
Approximate Date	Est. Annual % Inflation	Total ETC Supply (M)
07/30/2015	~15.5%	~150,000,000
09/23/2015	~12.0%	~160,000,000
01/09/2016	~9.0%	~170,000,000
03/05/2016	~7.0%	~180,000,000
04/26/2016	~5.5%	~190,000,000
06/08/2016	~4.5%	~200,000,000
07/20/2016	~3.5%	~210,000,000
08/30/2016	~2.8%	~220,000,000
04/17/2017	~2.2%	~230,000,000
05/29/2017	~1.8%	~240,000,000
10/11/2017	~1.5%	~250,000,000
02/25/2018	~1.2%	~260,000,000
07/10/2018	~1.0%	~270,000,000
04/07/2019	~0.8%	~280,000,000
08/21/2019	~0.6%	~290,000,000
01/04/2020	~0.4%	~300,000,000
05/19/2020	~0.3%	~310,000,000
10/02/2020	~0.2%	~320,000,000
02/15/2021	~0.15%	~330,000,000
06/30/2021	~0.12%	~340,000,000
11/13/2021	~0.10%	~350,000,000
03/29/2022	~0.08%	~360,000,000
08/12/2022	~0.06%	~370,000,000
12/25/2022	~0.05%	~380,000,000
05/09/2023	~0.04%	~390,000,000
09/23/2023	~0.03%	~400,000,000

**5M20**



# bitcoin

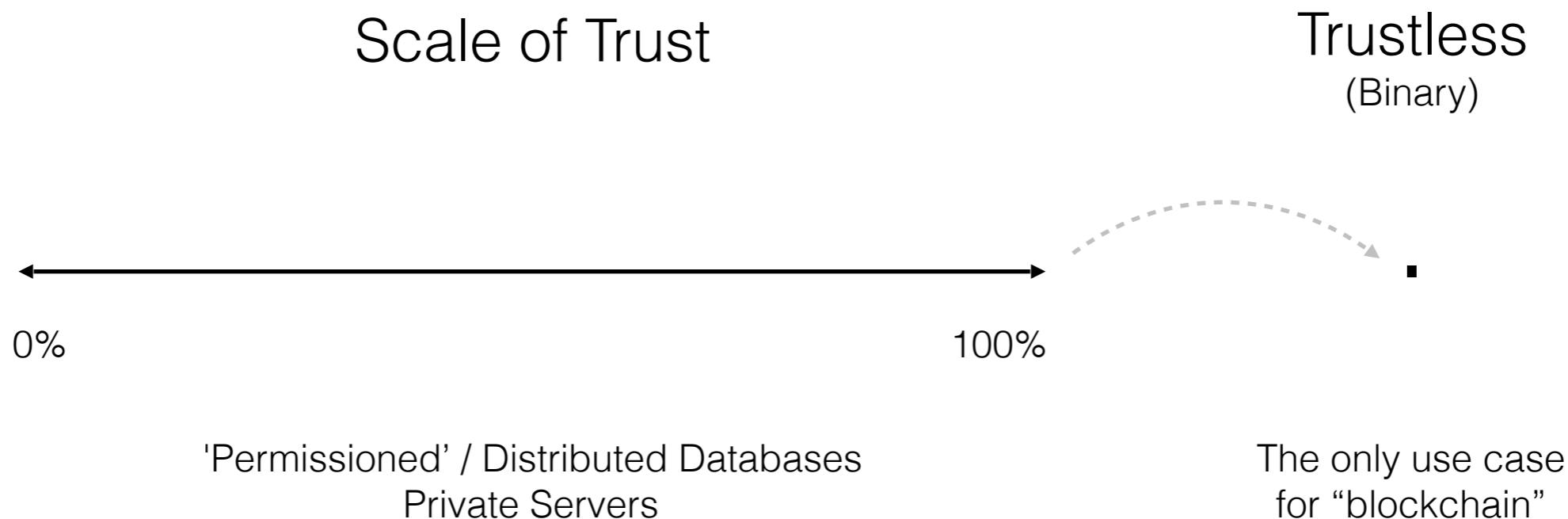
Starting Date	07/30/2015		MAX ETC REWARD PER BLOCK (ERA 1)			
Starting Value	0.00	Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total
		Miner	50	0	0	50
Block Time (s)	600	Uncle Miner		0	0	0
Blocks Per Year	52,560	Total	50	0	0	50
Blocks In Era 1	210,000		MAX ETC REWARD PER BLOCK (ERA 2)			
Blocks In Eras 2+	210,000	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	21,000,000.00	
		2,800,000		Hard Cap	21,000,000.00	Estimated Date
Avg. Uncles/Block Era 1	0			50% Mined	10,500,000.00	07/24/2019
Avg. Uncles/Block Era 2+	0			90% Mined	18,900,000.00	02/15/2029
				99% Mined	20,790,000.00	05/11/2042
Epoch Reduction	* ▾			Annual Inflation	0.03	07/02/2025



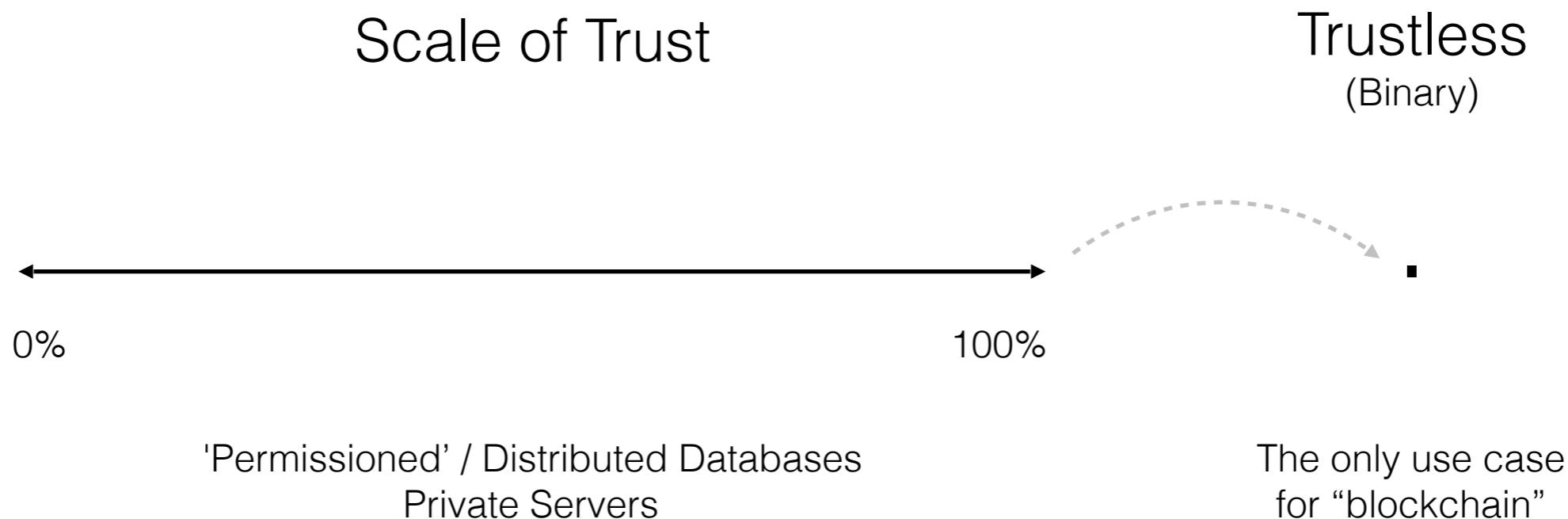
# The Reasoning

## Why are the numbers the way they are?

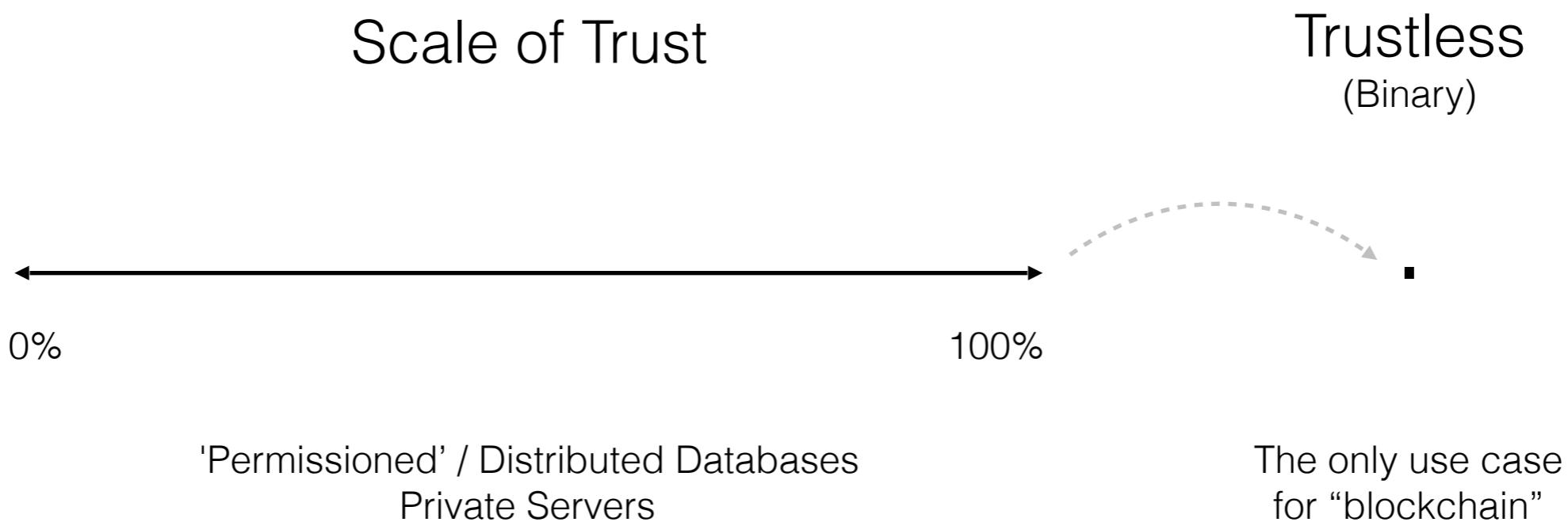
- Key point: they make the most trustworthy model
  - Is based on the most well known model in existence
  - The most trustworthy model will maximize investment potential from current and new sources b/c it minimizes skepticism.
- Rates used as metrics, not numbers
  - 50% emission
  - 3% inflation
- Simple to understand (5M20)
  - Complexity creates hesitation, slows progress, increases skepticism
    - Basically, reduces trust
  - No value is created in MP by introducing additional complexity
- Allows time for development and implementation, adoption, and awareness.
- “Optimum Total Investment”
  - This does not mean that this will necessarily raise the price or increase demand - it only minimizes/eliminates potential hesitation by those who are skeptical that this is a scam, or who don’t want to recalculate their financial and risk models.



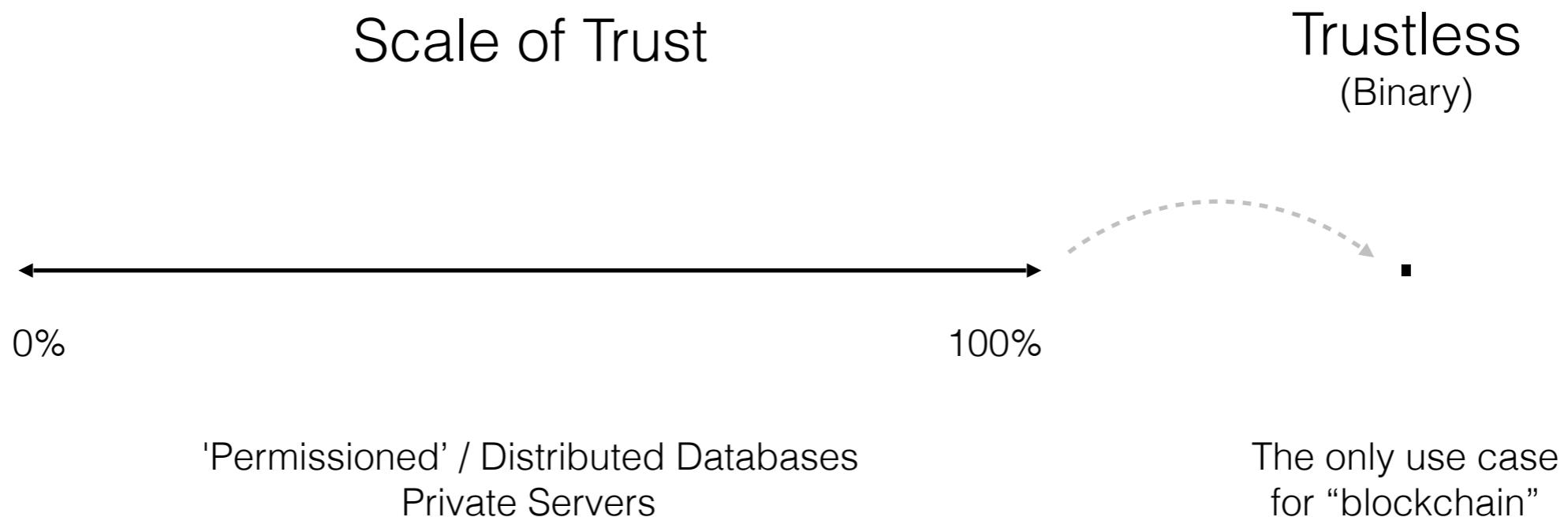
- A chain *can* move towards the right of the scale of trust and eventually make the jump to “Trustless”
  - This requires time and “tests” against the network
- However, the instant that a chain moves toward the left of the Scale, no matter how small of a movement:
  - It can never achieve a state of “Trustless”
  - It will be extremely difficult to move in the right direction again, becoming too costly to even continue
    - It will be “behind the power curve”
    - Extreme effort/resources will be required to move even a small distance to the right again.
    - Total collapse is an eventuality



- “Trustless” defined as (as it relates to blockchain transactions):
  - To an individual, when the probability that a future transaction he will execute on a blockchain will be reversed at some point reaches zero.
  - $2+2=4$  or gravity, L/Dmax of NACA 2412



- Blockchains suck
  - The most extreme example of inefficiency
    - Saving data not on one computer, but on every computer
      - Maximizes repeat data, storage costs, computing costs, electricity costs etc.
    - Very slow
      - Data takes minutes to hours, sometime days, to be hashed into a block.
    - Limited information
      - Competition for block propagation and mining reward incentivizes smaller amounts of data
        - Fully burdened costs paid for by user base
    - The ONLY redeeming feature is that what's goes on that ledger stays on that ledger



- Plausible strategies by those on ETH to attempt to mitigate effects of fork
  - Retain Relevance
    - Increased discussion and efforts on core protocol
      - Because core value case is shot
      - Introduce more variables to prop up perceived value
    - Greater promises with longer times to completion
      - Prolong hope
  - Hope that time heals
    - Works in many cases
      - But not in situations high consequence
        - Will remain as ETH's Scarlet Letter

Trust is the most valuable asset on the planet

# Familiarity and Consistency of markers of Trust

- Trust has value
- Familiarity and Consistency is trust
- The model with the most trust is the most valuable
  - Reduces skepticism, friction
- The model that is the most familiar is bitcoin's

Numbers don't matter, distribution rate does

- The rate of distribution determines the opportunity to get involved
  - Bitcoin has set the precedent for optimal level of time for adoption windows

ETH had a pre-mine of about 72M

- ETC is stuck with that
- Bitcoin did not have a premine
  - Adopting bitcoin's 210k/50% blocks model risks token concentration/increases skepticism

## ETC 4yr/50% Reduction

Starting Date	07/30/2015	Emission	MAX ETC REWARD PER BLOCK (ERA 1)				
Starting Value	72,002,454.77	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	8,409,600	MAX ETC REWARD PER BLOCK (ERA 2)					
Blocks In Eras 2+	8,409,600	Emission	Block Reward	Uncle Reward 1	Uncle Reward 2	Total	
Blocks Per Epoch	30,000	Miner	2.5	0.078125	0.078125	2.65625	
Years In Era 1	4.00	Uncle Miner	0	0.078125	0.078125	0.15625	
Years in Eras 2+	4.00	Total	2.5	0.15625	0.15625	2.8125	
Reduction Rate Eras 2+	0.5	Current Block #	Estimated Cap	163,412,178.77			
		4,820,305	Hard Cap	195,061,909.09	Estimated Date		
Avg. Uncles/Block Era 1	0.054		50% Mined	81,706,089.39	06/15/2016		
Avg. Uncles/Block Era 2+	2		90% Mined	147,070,960.89	01/09/2026		
Epoch Reduction	x		99% Mined	161,778,056.98	02/05/2039		
			Annual Inflation	0.03	05/15/2022		

Estimated Cap	163,412,178.77	
Hard Cap	195,061,909.09	Estimated Date
50% Mined	81,706,089.39	06/15/2016
90% Mined	147,070,960.89	01/09/2026
99% Mined	161,778,056.98	02/05/2039
Annual Inflation	0.03	05/15/2022

←  
Date  
already  
occurred

Solution: Simple, relevant metrics to measure against:

- Time to 50% distribution
  - Time frame in which the most concentration of token ownership likely occurs
  - Centralization risk
- Time to 3% inflation
  - Long term traditional financial risk free rate

## 5M20

Estimated Cap	210,793,861.02	
Hard Cap	212,375,935.11	Estimated Date
50% Mined	105,396,930.51	09/12/2018
90% Mined	189,714,474.92	10/25/2035
99% Mined	208,685,922.41	04/05/2060
Annual Inflation	0.03	07/15/2025

## Bitcoin

Estimated Cap	21,000,000.00	
Hard Cap	21,000,000.00	Estimated Date
50% Mined	10,500,000.00	07/24/2019
90% Mined	18,900,000.00	02/15/2029
99% Mined	20,790,000.00	05/11/2042
Annual Inflation	0.03	07/02/2025

Very Close Dates

Less than two weeks off

Solution: Simple, relevant metrics to measure against:

- Time to 50% distribution
  - Time frame in which the most concentration of token ownership likely occurs
  - Centralization risk
- Time to 3% inflation
  - Long term traditional financial risk free rate

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90% Mined	18,900,000.00	02/15/2029
99% Mined	20,790,000.00	05/11/2042
Annual Inflation	0.03	07/02/2025

Sooner by 10 months?!??!

However “risk” period began in Sept 2014, after pre-sale

=

Dates are off by one month

## Uncle Adjustment

- Current uncle rewards are structured so that they incentivize collusion and centralization
  - More reward for having uncles included than block reward plus including uncles
  - “Uncle Farming”
- Equalize all uncle values
  - Rewards to uncle miners is the same as the reward to the block miner who includes them
    - 1/32 of block reward

Current Uncle Rewards (Era 1)

	ETC Reward	Value	Ratio
Block Reward	5	0.15625	1/32
Uncle Miner (1 block back)		4.375	7/8
Uncle Miner (2 block back)		3.750	3/4
Uncle Miner (3 block back)		3.125	5/8
Uncle Miner (4 block back)		2.500	1/2
Uncle Miner (5 block back)		1.875	3/8
Uncle Miner (6 block back)		1.250	1/4
Uncle Miner (7 block back)		0.625	1/8

5M20 Uncle Rewards (Era 2)

	ETC Reward	Value	Ratio
Block Reward	4	0.125	1/32
Uncle Miner (1 block back)		0.125	1/32
Uncle Miner (2 block back)		0.125	1/32
Uncle Miner (3 block back)		0.125	1/32
Uncle Miner (4 block back)		0.125	1/32
Uncle Miner (5 block back)		0.125	1/32
Uncle Miner (6 block back)		0.125	1/32
Uncle Miner (7 block back)		0.125	1/32

Bitcoin Bitcoin Bitcoin, *blah, blah, blah...*

*'This is supposed to be about ETC'*

By removing this variable (MP), 1017 positions ETC to prove its utility and to maximize its impact if/when true utility value is created

The only way a crypto can survive is by adopting the very best ideas and options.  
Anything sub-optimal means chain split and one chain dies

If Crypto is disruptive enough, it does not need to rely on any fancy monetary policy to survive. Bitcoin has already solved the incentive structure issue.

# Other Docs

ECIP-1017

1017 Thesis

London Slide Deck

MP Model Spreadsheet