ETC Cooperative

2024
Goals

Mar 11th, 2024

Table of Contents

ETC Cooperative

Overview

2023 was a year of stability for the ETC Cooperative, with a strong financial position and a fully-staffed team. This was in stark contrast to previous years, where we had minimal staff beyond the Executive Director and had weak communications and marketing.

Donald produced a huge number of articles, both to the community website and for the Cooperative's own site which was completely revamped. All our communications are simultaneously released in English and Chinese.

We launched the ETC Grants DAO program, organized the inaugural POW Summit, and coordinated the Spiral hardfork (which activated in February 2024). Our developers continue to maintain and upgrade the core-geth client as our key development project, together with various other lower priority projects.

Our goals for 2024 are similar to 2023. We are in a steady state and do not have any urgent issues to address or crises to avert.   There will be another round of grants and another POW Summit event, and we will be working with Bitmain on other initiatives to grow the ETC ecosystem.

Grants Program

The ETC Grants DAO program was launched in January 2023 after months of coordination with Bitmain and Antpool.   During the first round of the program, around $700K USD worth of ETC was allocated to seventeen development teams, with funds being distributed from July 2023 onwards.

The program will continue with a second round of open application grants in the course of 2024. Bitmain continues to be very supportive of Ethereum Classic, and it is likely that the open grants program will be augmented with direct grants and partnerships with Bitmain to maximize the value delivered with these funds.

Bob will be spending much of his time during 2024 working on grant assessment and support. The comms team will have ongoing work related to development, delivery and maintenance of the program as well. All of this work is being done through an ongoing collaboration with our partners at Bitmain and Antpool.

The full process is detailed at the https://etcgrantsdao.io website.

ETC Cooperative

POW Summit 2024

The inaugural POW Summit was held in Prague in late September 2023. This was co-hosted with Litecoin Foundation, and was organized to be back-to-back with [Hackers Congress Paralelní Polis (HCPP)](#), a flagship hacker event which has been running for 10 years. This was the ETC Cooperative's first conference since October 2019.

The event was very well-received, so we will be organizing a POW Summit 2024 conference at a similar time this year, again in Europe in collaboration with Litecoin Foundation.

In the last year there has been a major developer renaissance in the Bitcoin ecosystem, starting with Ordinals, and then BitVM and with a raft of Bitcoin L2s likely to launch in 2024. We intend to ride that wave, with a major thread of content in that area.   Bob has been networking with all the main players and we feel that we can likely get even higher profile speakers and sell more tickets than 2023.

We made a small loss in 2023, shared with Litecoin Foundation, but attracted a lot of sponsorship money. This year we should make some profit. We are looking to double the number of attendees to around 400 tickets.

Development

Enhancing Client Stability and Functionality

Comprehensive Maintenance and Enhancement of Core-Geth Client

The Core-Geth client is the cornerstone of our network's functionality. This year, we are dedicated to its rigorous maintenance, addressing any emerging challenges, and ensuring its highest stability. This involves a meticulous process of identifying areas for improvement and executing targeted enhancements. We are also maintaining the Spiral hard-fork support which is programmed to happen at block 19250000 (estimated for the 3rd of February of 2024), a critical step for maintaining operational parity with evolving blockchain standards. Our efforts here are not just about maintaining the status quo but actively pushing the boundaries of what our Core-Geth client can achieve in terms of performance and reliability.

Advanced Support and Refinement in Cross-Client Testing

Our commitment extends to enhancing support for experimental clients like Erigon and ETC-Lite-Patch. By improving our support and testing processes for these clients, we aim to elevate the overall ecosystem's robustness. The focus will also be on refining our cross-client testing processes. We plan to develop more efficient and accurate methods for generating new Geth tests, especially for ETC hard-forks. This initiative is crucial for ensuring that our client remains compatible and performs optimally across various blockchain environments. We'll also explore the feasibility of integrating ETC support into Nethermind, with the aim of expanding the scope of testability for our platform.

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Network Observation and Analysis Advancements

Node Infrastructure for Observation and Analysis

A major thrust of our efforts is the ongoing development of the Enodexp node crawler and other network mapping and analysis tools. Precise and accurate network observation are crucial to enabling us to make more informed decisions about network health and performance. They are the frontline in seeing, understanding, and reacting to adverse events. One particular feature we'd like to add to Enodexp would enable it to listen to incoming connections, rather than only being able to initiate connections. This would give it sufficient functionality to operate as a bootnode.

Upgrading Chain and Network Monitoring and Incident Reaction Systems

We are set to enhance chain and network monitoring and our reactive capabilities for incident response. Dovetailing with network and chain analysis, near-comprehensive observation will enable us to react articulately and substantially to incidents, improving outcomes for the network and its stakeholders at potentially critical moments.

Upgrading Network Analysis Tooling

Our methods of seeing and understanding client and network behavior are becoming dated as the primary Geth client has evolved significantly in the past few years. We'll upgrade our alerting designs, criteria, and flows to best fit the new technology and provide the team with the best-possible tools to make sense of ETC's current and historical situation.

In late 2023 we (re-)implemented an exporter infrastructure for ETC chaindata to Google's Big Query, and we'll continue to develop and leverage that tooling with this aim as well.

Unified Infrastructure Management

Our infrastructure management is poised for a significant overhaul in the coming year. We're embarking on a comprehensive project to consolidate all our monitoring tools under a unified, Ansible-managed infrastructure. This move is pivotal for enhancing our operational efficiency, providing us with a more scalable and maintainable framework. By centralizing our infrastructure management, we aim to streamline our processes, reduce complexity, and improve our ability to respond rapidly to network needs and challenges. This unified approach will not only benefit our internal operations but also translate into a more robust and reliable experience for our network users.

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Technological Development and Exploration

EVM Object Format (EOF): Continued Advocacy for Inclusion to Ethereum (and ETC)

EOF is a binary format for Ethereum Virtual Machine (EVM) code that allows for more efficient and secure storage and transmission of smart contract code. We believe that the adoption of EOF will significantly improve the overall performance of the Ethereum network. Our team will continue to work closely with the Ethereum community to promote the benefits of EOF and advocate for its inclusion.

In 2022, we contributed to the development and testing of EOF and collaborated with other developers to ensure its seamless integration into Ethereum. In 2023 and 2024, we will continue our efforts towards the inclusion of EOF into the Cancun hard fork and look forward to the positive impact it will have on the network. Pending the inclusion on the Ethereum network, we will plan hard forks for the Ethereum Classic chains.

EIP 1559: Exploring Enablement for Ethereum Compatibility

This year, a key focus area for us is the exploration of enabling EIP 1559, originally implemented in Ethereum, for our network. However, our approach differs significantly as we plan to integrate this protocol without the feature of burning fees. This exploration is driven by our commitment to maintain compatibility with Ethereum, ensuring that our network remains in sync with prevailing blockchain standards and technologies. By adopting EIP 1559 without the fee-burning aspect, we aim to leverage its benefits, such as more predictable gas prices and an improved transaction fee market, while aligning it with the unique economic model and principles of our network. This initiative underscores our dedication to innovation and adaptability, ensuring that our network continues to evolve in a way that serves the best interests of all our stakeholders.

Verkle Trees: Research ETC implications in absence of beacon chain

Verkle data structures represent a significant evolution in the field of blockchain technology, offering promising avenues for enhancing network efficiency and scalability. Verkle trees, in particular, are poised to play a crucial role in the future development of blockchain networks due to their potential in optimizing storage and retrieval processes.

However, our exploration into Verkle trees goes beyond mere academic interest. We recognize the necessity of adapting these structures to fit the unique architecture of our network, especially considering that Ethereum Classic (ETC) does not operate with a beacon chain like Ethereum. This absence necessitates a tailored approach in integrating advanced data structures into our blockchain. We aim to investigate what specific adaptations and modifications are required to effectively implement Verkle trees within the ETC ecosystem. Our research will encompass a thorough analysis of the potential impact of these data structures on our existing network infrastructure. We will explore how they can be harmonized with our current systems, ensuring that any integration enhances rather than disrupts our network operations. This endeavor is crucial for maintaining ETC's competitiveness and

ETC Cooperative

relevance in the ever-evolving blockchain landscape, ensuring that we stay at the forefront of technological advancements while preserving the unique characteristics of our blockchain.

Privacy-Oriented Geth Deployment

Provide a dockerized Geth version with integrated VPN/SOCKS support. This goal is aimed at providing our users with enhanced privacy features, ensuring that they can run Core-Geth with privacy by default.

Enhancing Regression Testing and Automating Release Processes

A key area of focus this year is the improvement of our regression testing framework. We aim to address any existing issues to guarantee the reliability and accuracy of JSON-RPC interactions. Alongside this, we are implementing automated testing procedures for new releases. This automation is crucial in minimizing risks associated with software releases and ensuring a high standard of quality. We are also exploring the integration of alternative clients into our ecosystem, aiming to enhance the diversity and resilience of our network's infrastructure.

We will also continue development around automated and extended cross-client testing. The development of a new testing pipeline will improve how we convert Filler tests of Geth into executable scripts, facilitating their application on real-world chains. This automation is a step towards more efficient and effective testing protocols.

Communications and Marketing

In 2023 we set our goals to increase the ETC hashrate and to increase usership.

The hashrate on January 1st of 2023 was 122 TH/s and by the end of December of 2023 it stood at 141 TH/s.

In terms of usership, we can report that an increased number of dapps have deployed on ETC, the total value locked increased from below $500,000 in 2022 to more than $1,000,000 by the end of 2023, transactions per day were stable between 30,000 to 60,000 per day but with a spike above 1,000,000 in November for a few days due to the launch of the ETCInscribe dapp by HebeBlock, and traffic to the ETC community website duplicated from 14,000 unique users in 2022 to more than 28,000 unique users by the end of 2023.

In terms of node count, ETC nodes increased to more than 4,000 by the end of 2023. This was primarily because of a hardware node product that was launched in 2023 called ETCMC which offers the ETCPOW token as a reward for running a node. Although the exponential growth in these new participants may be unsustainable, some share of the ETCMC nodes may continue in the medium to long term.

The purpose of the ETC Cooperative communications team is to support and promote Ethereum Classic and to keep the ecosystem and the world informed about the ETC Cooperative's projects, finances, and governance.

ETC Cooperative

In 2024 our goals will continue to focus around hashrate and usership growth

ETC hashrate growth:
This goal is measured by hash rate and is a strong indication of security of the network. As security is the primary goal of proof of work blockchains, we infer that from this base, all the other positive metrics will emerge. However, hashrate is heavily influenced by market price, an external uncontrollable variable.

ETC usership growth:
If Ethereum Classic is secure through its hash rate, then we assume that usership will follow, and that usership is a function of utility. Similar to hashrate growth, usership correlates with market action, so whether we continue in a bear market or there is a bull market will influence metrics significantly.

Marketing

Brand Awareness & User Acquisition:

Increase overall brand recognition and encourage user adoption through targeted online marketing campaigns, content creation, events, social media engagement, and strategic partnerships.

Community Engagement:

Foster a vibrant and engaged community by increasing social media interactions and incentivizing community contributions through collaboration, events, and grants. We hope to double the number of attendees at 2023's POW Summit to 400, increase the grants participation, and continue to increase participation in our Coop Community calls. We have also created new social media channels for the Coop and POW Summit, to increase our reach and also allow us to advertise on various platforms.

Educational Initiatives:

Enhance market understanding by continuing Donald's series of educational blog posts, and video content, aiming to increase user knowledge about Ethereum Classic, blockchain, and cryptocurrency in general. Our Executive Director Bob Summerwill will continue to speak at events and conferences (e.g. [Litecoin Conference](#)) evangelizing Ethereum Classic and our community. We will also be hosting our second Proof of Work Summit in Fall 2024.

Partnerships and Collaborations:

Build on current relationships and establish new strategic partnerships to expand the company's reach, credibility, and users. We will continue fruitful partnerships with Litecoin, Bitmain, and Jasminer in the event space. In terms of the POW Summit, partnerships with Monero, Dogecoin, and other POW blockchains would help us build a more robust community. We will also be continuing working with our partners, [Bitmain](#) and [AntPool](#) in the [ETC Grants DAO](#) to increase submissions and increase the number of grants given in 2024.

ETC Cooperative

Deepening Exchange Collaborations for Network Security

This year, we're taking strategic steps to partner with leading cryptocurrency exchanges. These collaborations are aimed at implementing well-calibrated confirmation delays to significantly enhance the security of our network. By doing so, we're not just improving our network's resilience but also fostering a safer blockchain environment for all participants. Additionally, we are poised to develop tailored tools to meet the specific needs of our exchange partners, ensuring a symbiotic and secure relationship.

Media Coverage:

Increase positive media coverage through targeted press releases, interviews, and articles showcasing the Coop's achievements, innovations, and contributions to the cryptocurrency space. We will also push back on the lazy mainstream narrative that cryptocurrency mining is environmentally harmful and has an outsized contribution to climate change.

Editorial

The editorial strategy and goals for 2024 will continue to focus on writing posts primarily for the ETC community [website](#), creating the corresponding videos for the Ethereum Classic Updates YouTube [channel](#), writing announcements and institutional updates for the ETC Cooperative on its [website](#) and YouTube [channel](#), and producing the ETC Weekly Review show on the X platform.

Target

As was in 2023, we have defined for 2024 three target segments to direct our communications efforts; Users, developers, and miners.

The calls to action to our targets will be simple and straightforward:

- Users: "Use ETC for immutable payments, dapps, and storage of value."
- Developers: "Build highly secure solutions and unstoppable dapps on ETC."
- Miners: "Mine on ETC to take advantage of its long-term profitability."

Brand Story

As in 2023, the brand story that we will communicate for ETC will center around Ethereum Classic's design pillars and values. This means we will continue to emphasize the valuable positioning of ETC, that it is a proof of work blockchain, therefore truly decentralized, and that applications inside ETC are the most secure in the world.

Because Ethereum Classic (not ETC Coop) is the main focus of our communications work, the ETC Cooperative's messaging will be kept on a lower key, more administrative, and operational.

ETC's messaging will be promotional, selling the attributes of Ethereum Classic, while inviting the world to use it, developers to build on it, and miners to mine on it.

ETC Cooperative

ETC Pillars

Proof of work: ETC is proof of work, which is the most secure consensus mechanism.

Hard money: ETC is digital gold because it is POW and because it has a fixed monetary policy with a cap at 210,700,000 coins.

Programmability: ETC is programmable with smart contracts which makes it programmable digital gold.

Full replication: ETC is a fully replicated blockchain, which gives it redundancy globally protecting it from any contingency, caused either by nature or man.

Composability: ETC is composable, meaning that multi-dapp single transaction executions are possible, because all its data is unified under one single blockchain.

The largest in the world: ETC is the largest POW smart contracts blockchain in the world since Ethereum migrated to proof of stake (POS) in September of 2022.

The most secure applications in the world: Ethereum Classic is the environment where the most secure applications in the world will exist because it is a proof of work blockchain, it has a fixed monetary policy, it is programmable, fully replicated, composable, and is the largest one in the world with this combined design. These attributes in the same integrated system provide the highest level of decentralization, thus trust minimization, thus security for any application hosted in it.

ETC Values

Decentralization: ETC responds to a group of values of which decentralization is the pillar as it is the starting point that enables the rest.

Permissionlessness: Because ETC is decentralized, then access and use of it is permissionless on a global scale.

Censorship resistance: As ETC is permissionless, then access and use of it is impossible to censor by arbitrary or tyrannical regimes or special interests.

Trust minimization: All in all, all the values of ETC converge into one overarching goal: to reduce the dependency on trusted third parties.

Channels

ETC community blog: The main channel that we will use to communicate to the world the attributes of ETC in text form will be the Ethereum Classic community website.

ETC community YouTube channel: Nearly all the text posts on the ETC community website will be corresponded with a video on the community YouTube channel.

ETC X accounts: Contribution and work through the @eth_classic and @etc_network community accounts on the X platform will continue to be used to promote and augment traffic to ETC online assets.

ETC Cooperative

ETC X Spaces: The live show to review each week's posts and videos will continue on the X platform using the Spaces format.

ETC Cooperative blog: The ETC Cooperative's blog will continue to be used to make announcements, to explain specific topics, events, or objects specific to the Coop, and to promote the organization's projects such as the POW Summit and the ETC Grants DAO.

ETC Cooperative YouTube channel: As the ETC Cooperative's website, the YouTube channel will have corresponding videos with information and interviews about all the topics covered.

Editorial Calendar

The editorial calendar for 2024 will focus on the target described above and make use of the brand story and channels to produce the following content units:

ETC Community Website Posts

Around 150 text posts for the Ethereum Classic community website.

ETC Community Website Videos

Between 135 to 150 videos will be produced for the ETC community YouTube channel corresponding to the text posts in the Ethereum Classic community website.

ETC Cooperative Posts

We will continue to produce announcements, articles, and videos pertaining to the ETC Cooperative and reporting strategy.

X Tweets

There will be around 150 tweets proposed through the ETC contributions app to the @etc_classic and @etc_network X accounts.

X Spaces

We will produce around 50 X Spaces "ETC Weekly Review" shows.

Courses

We will complete the "ETC Proof of Work Course" during 2024 and will ideate and produce a new one after it during the year.

Social Media

As we step into 2024, ETC stands poised for a year of strategic growth, technological advancement, and strengthened community ties, especially through social media. Our goals for the year encompass a blend of platform-specific initiatives and overarching strategies, aiming not only to fortify our existing foundations but to elevate the community to new heights of connectivity.

ETC Cooperative

Discord Synergy

To strengthen collaboration between the ETC and ETC Cooperative Discord channels, and the broader ETC community, establishing them as primary platforms for technical discussions, project updates, and real-time community engagement is crucial. We can aim to host community calls via Discord channels, with curated event announcements published in the channel for increased visibility and participation.

Reddit Knowledge Hub

Reddit is often the go-to platform for newcomers when they first encounter the term "Ethereum Classic." Therefore, transforming the ETC Reddit community into a dynamic knowledge hub by encouraging regular contributions of insightful blogs, technical updates, and community-driven discussions is crucial. This initiative is essential to educate, disseminate information, and welcome more individuals into the ETC community. Keeping the community informed with recent news from the Cooperative, updates on courses, and details about upcoming activities is an integral part of maintaining an engaged and informed community.

Wechat Community Amplification

Strengthen engagement within Wechat communities, including Highway ETC, ETC Grants DAO Chinese Community, and ETC Global Comms. Utilize these platforms to amplify ETC's presence in the Chinese-speaking community and promote collaborative initiatives.

Social Media Expansion Goal: Diversifying and Amplifying Presence

In the upcoming year, our objective is to broaden our social media presence by not only enhancing our current platforms (X, Discord, Telegram, WeChat) but also by venturing into new ones. Acknowledging the ever-evolving landscape of online interactions, we strive to diversify our outreach. Additionally, our focus includes making existing platforms like Facebook and Instagram more dynamic and engaging. As part of our expansion strategy, we are planning to establish a presence on Mastodon, a platform renowned for its appeal to tech enthusiasts, providing an excellent avenue for participation in ETC conversations.

Amplified Community Announcements

Enhance the impact of community announcements by utilizing social media platforms, including Twitter and Facebook. Implement visually appealing and shareable content to increase the reach and engagement of important announcements, fostering a sense of community involvement.

Inter-Project Collaboration Highlights

Foster deeper collaboration with other blockchain projects through targeted social media initiatives. Highlight partnerships, joint initiatives, and collaborative efforts to showcase ETC's commitment to a thriving blockchain ecosystem.

ETC Cooperative

Corporate changes

Employees versus Contractors classification

In 2023, the ETC Cooperative was recommended by their tax advisors to review the classification of all staff members (whether as contractors or employees). This review was undertaken by outside legal counsel, looking at the ramifications for both the ETC Cooperative as a US non-profit entity and for the staff members themselves.

It was determined that all United States residents should be classified as employees rather than contractors. This process was initiated in 2023 and continues in 2024. It was also determined that there was tax assessment risk from a Canadian standpoint, so Bob Summerwill and Alison Alexis changed status via an employer of record.

This has led to increased payroll taxes, liabilities, and compliance costs and is reflected in the increase in wages for 2024.

There was also a change in some of the developers' salaries, so that all 3 developers are now earning the same gross wage.

Non-profit status

During the 2023 calendar year we began the process of converting the ETC Cooperative from a public charity into a private operating foundation or a private foundation, due to the lack of diversity of funding sources, which is required to maintain 501(c)3 status. This is called the public support test. The test states that at least 1/3 (33.3%) of donations must be given by donors who give less than 2% of the nonprofit's overall receipts.

There will still be a tax deduction for any donations received from other parties. However, a foundation must pay a nominal excise tax of 1.39% on their net investment income.

Although foundations typically make grants to public charities, they can also run programs, provide services, and conduct direct charitable activities. Ripple Foundation is an example of a crypto foundation.

We will be working with our tax advisors to flesh out the requirements for the transition and what effect that will have on the Coop. However, it does not appear that these requirements will result in many operational changes if the status of a private operating foundation can be achieved.

As of the time of this report, this is still a work in progress as it will be done during the filing period, that can be extended until November 2024.

ETC Cooperative

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