

BitcoinV – A More Decentralized Version of Bitcoin



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<http://www.bitcoinv.org>

March 25, 2019

All crypto currencies have one thing in common, mine them and you will be rewarded with either a constant reward or one that decays over time, that is until now. Meet BitcoinV, a new crypto currency with a unique feature called **Variable Block Rewards (VBR)** that lets you dynamically adjust your mining rewards to pull as many BTCV out of the blockchain as possible. At the core of this feature comes a significant bonus – **more decentralization**.

Employing the VBR feature on top of officially released Bitcoin code results in a Bitcoin offspring that is almost the same, but also very different. Having 99.99% of the code identical to Bitcoin results in an end product that meets the very high standards of Bitcoin code quality and reliability.

Why use BitcoinV?

Besides BitcoinV offering more decentralization (read below), the original Bitcoin is still the golden standard for crypto currencies. The way the original Bitcoin programmed its block rewards made it such that as more miners and hash power entered its network, the harder it became to mine a block. Turning the clock to 2019, if a miner with an average amount of hash power tries mining for Bitcoin, chances are they will fall short of ever mining and obtaining a block reward. This naturally forces all miners to enter pools to mine for Bitcoin. As more miners enter pools, the pools become a centralized focus of the Bitcoin network. A 51% Attack can occur on the Bitcoin network if the 3 or 4 top mining pools form a coup. A 51% Attack would allow those with power to double spend as well as erase any transactions that occurred on the once active chain that was replaced. ***BitcoinV's VBR feature naturally has a "51% Attack Deterrent Algorithm" and "more decentralization" at its core.***

ASIC proof ?

Many crypto currencies try to attack ASIC miners. They try all sorts of tactics to eliminate or suppress their ability to mine on their blockchain. No blockchain will ever be "ASIC proof". Many claim that since they have multi-algorithm mining features that they are ASIC proof, this is nonsense.

BitcoinV takes a different approach to the ASIC dominance in the crypto space.

The BitcoinV Variable Block Rewards (VBR) feature provides a mechanism for which both GPU and ASIC miners can coexist and mine on the BitcoinV blockchain at the same rate, but with different block rewards.

The above basically states that if Alice's GPU mines 50 BTCV per block and typically gets 3 block rewards per day, Bob can mine 50 x 1024 BTCV per block and get about 3 blocks per day if Bob's ASIC miner is 1024 times as powerful as Alice's.

Now if we step back and think about what just happened, **we realized that we no longer need mining pools to have a chance at getting a block reward!**

What??? A solution for encouraging decentralization!!! This will solve the problem that all crypto-currencies face!

BitcoinV is a blockchain where all miners can SOLO mine and still have a shot at mining for a block reward regardless of hash power! We are suddenly a decentralized blockchain, no need to have 51% of all miners in the world using only 4 pools (4 wallets)! Much harder to perform a 51% attack now!

Balancing blockchain dynamics using VBR

First instinct out of the gates when mining is to turn them on and go. As a miner grabs their first block reward of 50 BTCV they get excited and turn up the hash power to try and grab more of them. Using BitcoinV as just described is no different than just using the original Bitcoin. BitcoinV has a "tunable knob" called the block multiplier that is the front end to the VBR feature. There are a couple of ways to use the knob, take a look at the end of this article to learn how to change the block multiplier.

Lets discuss the best way to vary the multiplier knob; by best I mean how can we turn the knob to maximize BTCV. There could be mathematical formulas that use probability density functions and stochastic analysis to determine the best knob turn; we will focus on using feedback that we get from the blockchain. We will simply monitor the rate at which the network is mining blocks. We will focus on 2 extreme cases and then converge to a middle of the road technique.

Extreme case 1: Network mining less than 6 blocks per hour on average

Six blocks per hour is the standard rate at which the BitcoinV blockchain control system tries to maintain. The control system does this by monitoring how many blocks are mined over a given time frame. If too many blocks are mined too quickly then the control system turns an internal knob called the difficulty. This is the same as the original Bitcoin control system except that BitcoinV can adjust this difficulty knob every 48 blocks, much quicker than the original Bitcoin. The control system makes the difficulty easier so that the blocks can be found faster to try and get to 6 blocks per hour. The network can be in this state because of a lack of miners or there may be many miners, but they have the multiply knob set too high.

How to get to 6 blocks per hour? - This can be achieved a few number of ways. One way is to leave the multipliers alone and keep waiting for the internal difficulty level to adjust easier (48 blocks). For instance if a lot of miners have the multiplier set to x64, the internal difficulty level will drop after 48 mined blocks and these miners will be mining at x64. This means that the network will be producing 6 blocks per hour and each block is $50 \times 64 = 3200$ BTCV. Not everyone needs to cooperate to achieve these results. *Many miners either do not know or are too impatient to wait 48 blocks to grab more BTCV.*

How to get to 6 blocks per hour? – Another technique which will sound counter intuitive (remember BitcoinV is a new type of crypto) is to put the multiplier even higher. For instance if many miner's multiplier are set to x32, the setting could be moved to x64 and the after a while (48 mined blocks) the internal difficulty level will get easier and then mining will resume at x64 or 3200 BTCV per block reward.

Extreme case 2: Mining at 6 blocks per hour on average with minimal reward

When mining 6 blocks per hour with minimal reward (50 BTCV), the blockchain is said to be in the original Bitcoin mode. This usually happens when miners treat BitcoinV the same as Bitcoin; they are not aware of or how to use the variable block rewards. Being that BitcoinV is very new, this is a very typical situation the blockchain can find itself in. As miners mine and aren't aware of how to use the VBR feature they mine at 50 BTCV per block and drive the difficulty into the ground. How can we get out of this situation, there are countless numbers of miners that are not collaborating with each other? This is where knowledge and patience kicks in. Some miners can start moving their block rewards to x2. It will take a little longer for them to get the reward, but when a reward starts showing up in the blockchain as 100 BTCV, other miners will notice and give it a try as well, others will be envious. This sort of behavior is similar to people yawning; it is contagious. Eventually enough miners will be mining at x2 and getting 100 BTCV per block. Once many 100 BTCV per block start showing up on the network, miners will naturally start to try x4 and get 200 BTCV per block. At some point people will become impatient and start turning the multiplier back down to x2 and x1. This cycle will most likely continue as the majority of the miners cycle through x1, x2, x4, x2, x1, x2, ... testing miners' patience. Meanwhile, miners with huge amounts of hash power will do the same cycle but with higher multipliers, most likely cycling through x4, x8, x16. These power horses can try to crank it to x32, x64, ..., x128 and get much larger rewards if they have the power and patience to do so. These power horses will be pulling large rewards from the blockchain. As other miners see these larger rewards, they will either try to go to an x2, x4 or form a small pool to get an x8. The environments are very dynamic with miners of all types varying the block multiplier and affecting the internal difficulty and the overall blockchain block rewards. No one will have knowledge of the block reward in the next mined block until it actually happens.

Extreme case 3: The entire BitcoinV mining community joins one MEGA pool at x8192 or higher

An interesting situation is when all the miners try to team up to form a mega pool with a multiplier set very high such as x8192. If this situation occurs, it leaves opportunities for others to start cranking up ASICs at x1 to start getting some block rewards for themselves at 50 BTCV, as other miners see that these miners are getting in front of them, they too will try other tactics to try and outsmart the other miners. This will drive the difficulty down and force the pool to lower its multiplier. A lot of human dynamics to try and pull the most from the blockchain, a game of greed.

In essence BitcoinV is a new crypto-currency that forces miners to try and find the most profitable multiplier setting, in the current blockchain hashing state, while not knowing the

other miners' strategy. The strategies will continually change as miners' try and out smart each other.

Jackpot Block Rewards

Another type of mining comes in the form of a JACKPOT. BitcoinV is the first crypto-currency to offer JACKPOT block rewards. When the multiplier gets set to the highest value 1,048,576, any mined block will be paid at 50 x 1,048,576, this is about 50 Million BTCV. The probability of this happening is very rare. This adds excitement to mining and will attract a few SOLO miners at a time to try for fun.

BitcoinV naturally lends itself to blockchain decentralization

From the described situations, it can be seen that BitcoinV forces miners' to try and outsmart each other in order to gain more BTCV, the game of greed. In doing so results in some miners always straying away from the crowd to try and make more BTCV, and this naturally forms both SOLO and POOL miners. Because of this, **BitcoinV should have more decentralization than the original Bitcoin.**

Miners' general goal

With VBR, miners should realize that there is a potential for the blockchain to push 6 blocks per hour at any block reward up to about 50 Million BTCV. The truth is that people will be people and there will always be many miners mining for 50 BTCV and driving the difficulty level down. Because of this, most of the blocks will be pushed out at 50, 100, 200, 400, 800 BTCV per block reward. As mentioned earlier, BitcoinV offers much more rewards than Bitcoin as well as more decentralization than Bitcoin. Also mentioned in another Medium article was how BitcoinV also has a "Natural 51% attack algorithm" at its core.

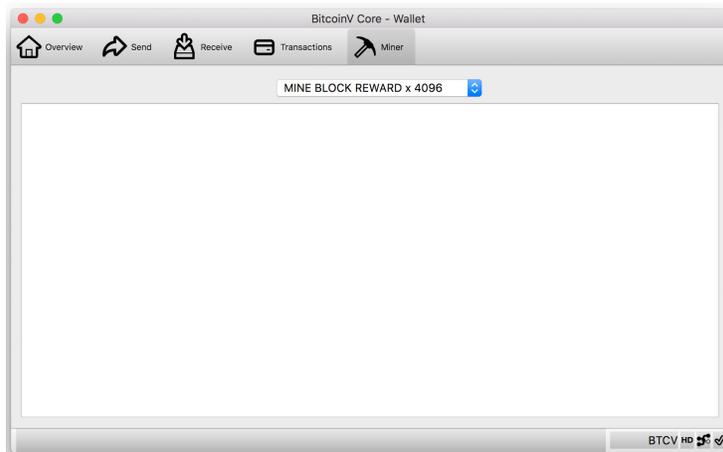
There was a reason the maximum supply for BitcoinV was set to 21,000,000,000. The blockchain expects miners to multiply the rewards, use it!

We hope we provided a clear background on how to use the VBR feature and how BitcoinV can be a better Bitcoin.

Thanks,
NullFunctor and the BitcoinV Devs

Setting the VBR Multiplier using QT wallet:

Go to the “Miner” tab and select multiplier from the pull down.



OR

Setting the VBR Multiplier using bitcoin.conf:

Add the following line to bitcoin.conf for an x32 multiplier

```
setvbrmultiplier=32
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Change the multiplier to a value between 1 and 1,048,576.

You must restart the wallet or bitcoind for changes to take effect.