

ECHELON PRIME FOUNDATION

Governance Proposal: Prime Sinks Burn Rate Adjustment

Discussion Draft

OVERVIEW

This proposal aims to enhance the economic model of the Echelon PRIME token (PRIME) by adjusting the distribution mechanics of PRIME sinks. Currently, a portion of tokens placed into sinks is returned to the ecosystem via the emissions pool, with a smaller share allocated to the Foundation and a portion burned. We propose that, effective immediately, 100% of PRIME entering these sinks be burned, thereby creating a stronger deflationary dynamic. The Foundation will retain oversight and the ability to adjust these rates based on ongoing economic assessments.

APPROACH

We propose an immediate shift to a 100% burn rate for all PRIME placed in sinks. This adjustment means all tokens returned via sinks will be permanently burned. The Foundation, as the governing body, will monitor the impact on the token supply and game economics. If, in the future, the Foundation identifies that the ecosystem faces a scarcity risk, they will adjust the burn ratio accordingly, ensuring balance between supply contraction and game reward sustainability.

RATIONALE

A deflationary model, through the complete burn of all PRIME entering sinks, will tighten the supply over time. Given that the Foundation has indicated a secure emissions runway for at least the next decade, we are confident in removing the need for immediate replenishment. This move not only reinforces scarcity but also gives token holders a clear, value-creating reason to engage with PRIME sinks. The Foundation will remain agile, reassessing periodically to ensure that any adjustments are data-driven and aligned with ecosystem health.

TIMELINE

The transition will be swift. Upon community/EP approval, the Foundation will implement this burn rate adjustment as soon as possible. Subsequent periodic reviews will ensure that the economic model remains robust, with the Foundation empowered to adjust the ratio if necessary.

COSTS

This proposal incurs minimal cost. The Foundation will simply need to allocate periodic time for economic reassessments. No new budget or structural changes are required—just disciplined oversight.