

# The Phases



Since early versions of AFFEERCE, the plan to create land-based capitalism has been divided into three phases. However, the definition of those phases has changed with each version (and even between versions), so even if you think you know the phases, it is best to review the semantics of the three version 7.0 phases.

## Phase I

1. A U.S. dollar [land account](#) funds [ABC ram and jam](#) land purchases into the [ABC Commons Trust](#).
2. The ground rent directed to the legal benefit is split in half: 25% funds the land account, and 25% is sequestered into the Earth Dividend Subsidy Fund ([EDSF](#)).
3. The only Phase I commons trust is the ABC Commons Trust, and only when the ABC is in Phase I.
4. Revaluations of the [Elsie](#) are not allowed in Phase I.

## Phase II

1. Only Elsie are used to purchase land into a [Phase II commons trust](#).
2. A Phase II commons trust is created in any community that meets the following criteria:
  - A. At least 2/3 of the land in the jurisdiction is in the ABC Commons Trust.
  - B. At least 2/3 of the population lives on ABC Commons Trust land.
  - C. The population of the jurisdiction is at least 100,000.
3. The ABC Commons Trust goes from Phase I to Phase II if ALL the following conditions are met:
  - A. There is an insufficient supply of available land to keep the Elsie below 200% of the peg. Remember, revaluations are not allowed in Phase I.
  - B. There are no logistical impediments to land purchase.
  - C. There is enough commons trust land in sufficient quantity and quality to provide food and housing for the entire world's population. This is at least 10% of the world's land value (about 80 million parcels with an average price of \$250,000 in 2022 dollars).

4. Only original residents of a Phase II dominion (residents on the day Phase II became official) are eligible for free (nominal) [Earth Dividends](#).
5. Free Earth Dividends for residents of [Phase II dominions](#) are supplied in [Earth Dividend auction lotteries](#) (with nominal maximum bid) by either the ABC Commons Trust or the Phase II commons trust for that dominion.
6. The 50% EDSF is split – with one part funding free Earth Dividend lotteries for residents of Phase II commons trusts and the other part funding Earth Dividend auction lotteries for anyone worldwide. How the fund is split and the maximum bid for auction lotteries are reset daily by the [VIP Treasury](#).
7. The Treasury [revalues the Elsie](#) to maintain a market discount at 99% of the [peg](#).
8. The goal of Phase II is [Elsie hyperdeflation](#).

### Phase III

1. Phase III happens beyond the Elsie hyperdeflation event horizon.
2. Hyperdeflation and Phase III will not end until most nations and populations have [federated](#).
3. All people who are original residents of federated nations are awarded an Earth Dividend.
4. [Intellectual property royalties](#) might not completely counter [deflation](#) if major industrialized countries remain un-federated.
5. Absent [Worldwide Federation](#), deflation will always be relative to non-federated countries.