Hello guys,

I'm new here but a veteran on the trading side and maybe can give some insights from a personal trading perspective. And maybe a simple solution idea to MEV. Hope it is the right place for the post. TLDR: The current situation sucks and is getting worse with systems like flashbots.

What I think hurts most:

Transactions with lower (gas + tip) are placed in a better position in the block. I often experience something like this: Very high priced transaction fails against some "dark" transaction with lower gas price at the end of the block. This is simply not right.

A proposed solution should include in my perspective just two points:

1. Blocks must be ordered by (gas + tip).

2. It should be possible to backrun a transaction. So sending something like this [my_tx_1, tx, my_tx_2] and paying for it some extra fee.

Implementation:

1. Is simple and clear

2. Maybe:

3. GasPrice of the bundle in the block [my_tx_1, tx, my_tx_2] should be (gas + tip) of tx

4. my_tx_1/2 gasPrice should be higher than tx gasPrice. You just pay for being around the backrun tx.

5. for failure you would pay my_tx_1/2 gasPrice * minGasConstant. (Failure means that tx is already executed)

6. GasPrice of the bundle in the block [my_tx_1, tx, my_tx_2] should be (gas + tip) of tx

7. my_tx_1/2 gasPrice should be higher than tx gasPrice. You just pay for being around the backrun tx.

8. for failure you would pay my_tx_1/2 gasPrice * minGasConstant. (Failure means that tx is already executed)

What do you think guys? Don't let Ethereum become a dark place!

PS Here is a short explanation for 2 (you can skip this):

Before flashbots come in we had a situation that sucked but was kind of clear how it works.

Most of the time it was something like this: Someone send's a bad transaction. You could calculate the price impact and arbitrage it. Everyone was trying to catch and spam the block since it was in random order. Later the eth community introduced timestamps. Now it was a latency game. I tried to play it as well. But it was clear: First come first serve although the miners started to manipulate the blocks. That sucked as well. Here already big players with good infrastructure and connections to miners had the edge. I think sandwich-like attacks are ok, in the sense that a solution can be implemented on the application layer. You already have often some protection by specifying max slippage.

Now flashbots came and introduced bundles. This really rigged the game. YES, Flashbot's solved (2) but introduced a huge unfairness to the game. We just need a solution where you can simply backrun or let's say react to transactions. That would solve all the spamming and prevent unfair transactions at the end of the block. Miners would get basically the same or even more since flashbot's biding is hidden and you could compete for the execution in an open biding which already happens for normal transactions and works pretty well in my opinion. 99% of all real MEV are of the form (2). The rest could be handled in the classical biding mechanism, like in the old days (which still works but sometimes gets rigged by flashbot like transactions). You could basically adjust the replacement percentage if the load on the system becomes too high.