

# Wintermute DeFi Governance Digest January 2024 | Week 3

[Wintermute](#)

[Follow](#)

Wintermute

--

Listen

Share

This week's proposals include Cosmos adding Noble as a Consumer Chain, and dYdX receiving two DYDX liquid staking products; along with votes from Arbitrum to fund a pilot for a long-term incentive program, Uniswap lowering the on-chain proposal threshold, and Osmosis adding Noble USDC as a transaction fee token.

## Proposals

### Cosmos (ATOM)

Proposal:

[Signaling Proposal: Approval to Onboard Noble as a Consumer Chain to the Cosmos Hub](#)

Author:

Tricky

Summary:

This proposal requests to onboard Noble as a Consumer Chain.

Key Points:

- One of the largest hurdles new Cosmos chains face is bootstrapping a network with a decentralized validator set and valuable staking token. Without such properties, new chains face potential economic and governance attacks to their chain.
- As a result, the Atom Economic Zone was established to help support new chain developments, by allowing them to leverage existing ATOM validators and therefore, inherit the security of the ATOM network.
- In exchange, 25% of the new chain's (a.k.a Consumer Chain) transaction fees are paid to ATOM validators helping secure their chain.
- Noble is the premier asset issuance chain within the Cosmos ecosystem and stands as the primary issuer of native USDC for Cosmos/IBC with plans to expand its asset offerings.
- This proposal requests to onboard Noble as a Consumer Chain to the Cosmos Hub, allowing Noble to leverage the security of the ATOM network.
- If approved, ATOM validators supporting the Noble Consumer Chain will begin earning fees from the network's activity.

Our Take:

This is a great opportunity for both the Noble Team and Cosmos Validators. As one of the premier issuers of USDC on Cosmos, we expect Cosmos Validators to support Noble's addition as a Consumer Chain to begin earning USDC fees.

### dYdX (DYDX)

Proposal

: DYDX Liquid Staking by [pStake](#) & [Stride](#)

Author:

## pStake & Stride

### Summary:

Both pStake & Stride have put forward their intention to launch a liquid staking version of DYDX.

### Key Points:

- Currently, users can stake their DYDX natively and earn USDC from trading fees. However, native staking requires a 30-day unbonding period during which DYDX cannot be used or transferred.
- Both pStake and Stride have announced the upcoming launch of their support for liquid-staked DYDX.
- Both models will aim to improve the decentralization of the dYdX Chain by supporting validators with smaller voting power as currently 2 validators control more than 33% of the total voting power on the network.
- Interestingly, pStake has proposed to introduce a Dual Governance Mechanism which will allow stkDYDX holders to veto any on-chain decisions made by PSTAKE holders if they deem it to be detrimental to the dYdX Chain.
- Both pStake and Stride will have auto-compounding mechanisms that will take USDC rewards every epoch, sell them for DYDX, and restake them on behalf of the user.
- Lastly, Stride has also hinted at a potential airdrop to stDYDX holders in the future and a novel auction module to allow rewards to be compounded without going through Osmosis.

### Our Take:

DYDX provides one of the most unique liquid staking landscapes given all rewards are purely USDC. Multiple liquid staking protocols will be a great win for both the issuer and DYDX holders.

## Votes

### Arbitrum (ARB)

#### Proposal:

[Long-Term Incentives Pilot Program](#)

#### Status:

Live.

#### Created:

Jan 10, 2024.

#### Ends:

Jan 17, 2024.

#### Leading Consensus:

Fund program with 45,815,000 ARB — 103M ARB (57.49% of total votes).

#### Summary:

This proposal will act as a pilot for a long-term incentive program on Arbitrum. The pilot introduces a lot of changes to account for pitfalls from the most recent Short Term Incentive Program; namely, an initial grant screening by a council to reduce governance fatigue, applicant advisors to provide feedback, and more flexibility in reward distribution. The budget ranges from ~25.8M ARB to ~45.8M ARB.

### Uniswap (UNI)

#### Proposal:

[\[Temperature Check\] Lower Onchain Proposal Threshold](#)

#### Status:

Finished.

Created:

Jan 9, 2024.

Ends:

Jan 14, 2024.

Leading Consensus:

Lower PT from 2.5M UNI to 1M UNI — 21M UNI (100% of total votes).

Summary:

This proposal requests to lower the proposal threshold from 2.5M UNI to 1M UNI for on-chain Uniswap votes. This will increase the number of delegates capable of submitting on-chain proposals, therefore, increasing delegate engagement as a lot of accounts with enough proposal power have remained inactive for a long time.

## Osmosis (OSMO)

Proposal:

[Add Noble USDC as fee denom](#)

Status:

Finished.

Created:

Jan 10, 2024.

Ends:

Jan 15, 2024.

Leading Consensus:

Yes — 225.18M OSMO (100% of total votes).

Summary:

This proposal requests to add Noble USDC as a fee token to Osmosis allowing users to pay for transactions with the token.