

Interesting proposal, thanks for the indepth post.

You argue that higher staking ratio is more favorable to LSTs, however I think you can say the same about low yields too. I worry that solo stakers will be the first to unstake if yields go to 0, since solo staking has significantly more costs. While we may very well be heading to 100% staking ratio due to LSTs, it seems like this proposal would accelerate the death of solo stakers. It is also possible that solo staking becomes more accessible over time, so there is a good argument to keep solo stakers “viable” for a longer period of time.