With such a large number of validators in LIDO, there is little incentive to join any new pools - they will be taking a 10% rake on rewards and will also have much greater chances for multi-block MEV. These facts coupled with the fact that there is a new economy being formed around stETH that other validator pools will not be able to engage in leaves me feeling there to be no real realistic path for other staking pools on ETH to form. This last bit is something which a number of groups, including paradigm, have recognized.

I see as this creating a bottleneck where LIDO is the de-facto provisioner of staked liquidity equivalent within the network. And with the protocol being heavily controlled by a few LDO holders, I see this as effectively creating a permissions layer around the de-facto validator pool for eth2.

I advocate for removing staking derivatives - particularly stETH from LIDO to inhibit this lockout of other validator pools. If you have any arguments as to why this would not happen, I would love to hear them - I have only heard ad hominems and comparisons to Bitcoin, thus far.

h/t to Alex B for really bringing this to light