

Summary

I propose all validators on Secret Network reduce their fees in `.secrettd/config/app.toml`

to `0.0125uscrt`

from the default of `0.25uscrt`

. This will lead to cheaper transactions for all users.

The Problem

Secret Network is by far

the most expensive network in the Tendermint/Cosmos ecosystem by an order of magnitude. This leads to higher fees paid by users, as well as costs associated with relaying. The original choice for gas fees was chosen early on as a means of mitigating DDoS attacks, and has not been updated since. With the growth of SCRT, these prices have become prohibitively expensive, even after Supernova.

Across the relayers, ~288 SCRT per day is being spent on transaction fees across ~1500 transactions, averaging 0.192 SCRT per transaction. At current prices, that's \$2400 per day to be split across 3 validators. That is drastically more than other networks, and IBC has only barely begun.

According to map of zones [0](#), the following amount of IBC transfers are occurring every day:

- Osmosis: 30,000
- Cosmos: 15,000
- CRO: 12,000
- Juno: 4,500
- Terra: 3,000 (bearing in mind Terra newly has IBC enabled)
- Secret: 1,500

If Secret Network achieves the abundantly reasonable metric of becoming equal with Juno at 4,500 transactions per day, 864 SCRT would be spent by relayers every day, or ~\$6,900 USD.

Context

For context, the following are the default/recommended values for gas on other Tendermint networks:

- Terra: `0.01133uluna`
- Cosmos: `0.0125uatom`
- Osmosis: `0.0uosmo`
- Juno: `0.01ujuno`

Gas on Secret Network: `0.25uscrt`

The following are values I've gathered by IBC relayers (per relayer*) on how much they're spending per month on relaying:

- Terra: ~200 LUNA per month, or ~\$10,000 USD (per relayer)
- Juna: ~120 JUNO per month, or ~\$1,200 USD (per relayer)
- Cosmos: ~150 ATOM per month, or ~\$4,500 USD (per relayer)

At the current trajectory (at 1/3 the transactions of Juno), Secret IBC is looking at ~8640 SCRT or ~\$72,000 USD per month (total, not per relayer. Per relayer, at this time, would be \$24,000 USD each).

This is coming directly out of relayer pockets, not out of a community fund, or provided by teams such as SCRT Labs or Secret Foundation.

A validator with the average commission of 5% would need more than 6 millions tokens delegated to them in order to break even

each month.

Risks

Lower Tx Fees Gathered by Validators

Lowering the cost of transactions would mean less profit for validators.

I don't consider this a realistic risk when most profit is made via inflation at this time. In addition, the goodwill of low transaction fees will far

outweigh the "cost" of lowering fees.

DDoS Risk

This is a more serious risk, but still one I consider moot in the face of the cost of transactions.

Benefits

The benefits would come in several forms:

1. Goodwill from users for low transaction fees
2. Lower cost for IBC usage, for both relayers and users