# Introducing Interstate: Increasing Validator Rewards Via Proposer Commitments

Overview

Interstate is a novel proposer commitment and based sequencing protocol. By leveraging Ethereum's decentralization, Interstate enables faster transaction (pre) confirmations, better sequencing & da inclusion guarantees for based rollups, and opens up the future of proposer commitments.

- We are fully open source [Interstate Labs · GitHub](#), and are testing on Holesky at scale.

- We helped launch the [first preconfirmation on ethereum mainnet](#).

- We are undergoing audits with leading auditing firms and will post the results here shortly.

We are actively working with a large cohort of Lido node operators, and would like to request whitelist to run our software on Lido Validators from the Lido DAO after the testing period is completed.

We are currently working with many/most participants in the PBS pipeline and sequencing protocols, with a full breakdown on our [website](#).

We believe it lives up to the values of Ethereum and Lido to have a permissionless, decentralized marketplace where multiple teams can permissionlessly innovate.

What is Interstate?

• Ultra-fast (pre)confirmation time

: Sub-250ms (pre)confirmation times for any transaction sender on ethereum. Get a stake backed guarantee of transaction inclusion in the upcoming block (and later a guarantee on correctness of execution).

• Decentralized sequencing

: Ethereum is the decentralized sequencing protocol, we are improving sequencing building better tooling for based sequencing, especially enabling based rollups to interoperate with other L2s and L1.

• Improving the PBS pipeline

: We are committed to making the proposer-builder separation decentralized and have multiple parties participate in the block building process.

Why Interstate for Lido?

1. Maximizing Validator Profitability

Interstate's architecture introduces a new class of sidecar modules that external protocols can adopt to harness Ethereum's validator security. Validators participating in Interstate sequencing receive additional rewards for facilitating massive improvements to L1 UX.

1. Strengthening Ethereum's Ecosystem

By enabling external protocols to utilize Ethereum for DA and sequencing, Interstate drives increased usage of Ethereum validators and enhances Ethereum's reputation as the most decentralized and interoperable blockchain.

1. Ecosystem Synergy

The Lido community can play a critical role in bootstrapping Interstate by encouraging its adoption within the Ethereum ecosystem and beyond. By aligning with Interstate, Lido further cements its position as a leader in innovative staking solutions.

Proposed Integration

We propose that Lido validators adopt the Interstate Proposer Commitment Network

, a lightweight sidecar module designed to maximize participation in sub-250ms preconfirmations while ensuring compliance with existing validator duties. This integration involves:

1. Opt-in participation

: Validators can choose to participate in Interstate's sequencing services.

1. Enhanced rewards

: Validators earn additional fees by offering sequencing services for external protocols using Interstate.

1. Minimal overhead

: The sidecar module is designed to run alongside existing validator infrastructure with negligible resource consumption.

Benefits to the Lido Community

• Increased Validator Rewards

: Additional incentives for validators participating in the Interstate network.

• Supporting Ethereum Growth

: Boost Ethereum's adoption as a trust layer for external ecosystems.

• Enhanced Validator Reputation

: Lido validators become pioneers in advancing Ethereum's interoperability capabilities.

• Ecosystem Partners

: We're integrated with Commit-Boost, research with flashbots, and major relays like Ultrasound and Bloxroute

Call to Action

We are actively working with a large cohort of Lido node operators, and would like to request whitelist to run our software on Lido Validators from the Lido DAO. We would like to further work with Lido DAO on further projects to improve Ethereum L1 UX.