The Shanghai/Capella upgrade for Ethereum will enable withdrawal functionality. Recently the Lido on Ethereum protocol team proposed a high-level design of withdrawals where they offered a “bunker mode”, as a mechanism to protect users who are unstaking during rare but potentially highly adverse network conditions (e.g. mass slashing). While agreeing with the main idea, Lido Analytics and Tooling teams elaborated on the concept and redefined “bunker mode” as well as proposed its implementation.

We proposed to enter the “bunker mode” in three conditions when the penalties might be big enough to have a significant impact on the Protocol’s rewards:

1. Mass slashing (already proposed by the Lido on Ethereum protocol team as a condition for the “bunker mode”)
2. Penalties exceeding rewards in the current period between two Oracle reports
3. Lower than expected Lido validators performance in the current period between two Oracle reports and penalties exceeding rewards at the end of it.

The document below outlines the “bunker mode” design for the withdrawals feature for Lido on Ethereum protocol providing the details on the proposed triggering implementation and withdrawal requests finalization. We also provided some thoughts on how the proposed design eliminates “false negative bunker” (not entering the “bunker mode” if it is needed) while minimizing the probability of “false positive bunker” (entering the “bunker mode” if it is not required). Analyzing known risks and possible catastrophic scenarios that are likely to trigger the ”bunker mode”, we concluded that the probability of the “bunker mode” happening varies from low to very low.

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](https://docs.google.com/document/d/1NoJ3rbVZ1OJfByjibHPA91Ghqk487tT0djAf6PFu8s8/edit?usp=sharing)

“Bunker mode”: what it is and how it works

“Bunker mode”: what it is and how it works Intro “Bunker mode” design Goals and constraints “Bunker mode” conditions “Bunker mode” triggering implementation Withdrawal requests finalization Appendix A. Design check: dealing with Type I and Type II...