

It's been known for some time that USDT may not fully be pegged to the \$. Moreover, USDT has come under scrutiny in light of recent UST de-pegging. This presents a systematic risk to the GLP pool. We propose replacing the ~8% USDT in the Arbitrum GLP pool with [USDP](#).

USDP is the stable coin of Paxos. USDP is reviewed by a top-ranking auditing firm on a monthly basis and will help derisk the platform.