This would significantly decrease “real” decentralization by effectively raising the 32 ETH solo staking floor to whatever the new EB value would be. Sure while one can still spin up a validator with 32 ETH, its influence would be one of a second-class citizen when compared to one with “maxed out” EB.

A few other observations:

1. The SSF numbers you provided as rationale are straw-man numbers (quite literally - the linked Horn proposal calls them “A Strawman Proposal” and notes significant improvements are possible with multi-threaded implementation).

2. You refer to the current 600K validator set as “artificially high” but the Ethereum upgrade road-map extensively uses 1-million validators as a scaling target. How can we currently be at “artificially high” levels despite being well under the original scaling + decentralization target?

3. You point to the May 11th & 12th, 2023 non-finalization as evidence of undue stress on the P2P layer however the root cause of said event was due to unnecessary re-processing of stale data. The fact that there were clients that were unaffected (namely Lighthouse) shows that the problem was an implementation bug rather than being protocol level.

4. The two pros listed under “validator perspective” are questionable. Sure, solo-stakers can now compound additional rewards, but at the trade-off of (potentially drastic) lower odds of proposals, sync committee selections, etc. This would be a huge net loss for the marginal 32 ETH solo staker. As for large-scale stakers, there is already tooling to manage hundreds/thousands of validators so any gain would be a difference in degree rather than kind, and even the degree diminishes by the day as tooling matures.