MUCKLESHOOT TRIBAL COUNCIL

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April 28, 2026

Mr. Christopher Kilpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Submitted to Mr. Christopher J. Kirkpatrick, Secretary of the Commission via CFTC Comments Portal

Re: Comments on the Advance Notice of Proposed Rulemaking Regarding Prediction Markets, RIN 3038–AF65, 91 FR 12516 (March 16, 2026)

Mr. Kilpatrick,

The Muckleshoot Indian Tribe ("Tribe") submits these comments in response to the Commodity Futures Trading Commission's ("CFTC" or "Commission") Advance Notice of Proposed Rulemaking regarding prediction markets. The Tribe is a federally recognized Indian tribe with treaty-protected rights under both the Treaties of Medicine Creek (1854) and Point Elliott (1855). Through these treaties the federal government recognized and acknowledged our tribal sovereignty and the inherent right to govern ourselves and our territory.

Tribal Nations in the State of Washington, including the Muckleshoot Indian Tribe, enjoy the exclusive right to offer sports wagering under our government-to-government gaming compacts with the State. These compacts are entered into pursuant to the Indian Gaming Regulatory Act of 1988 (Pub. L. 100-497) ("IGRA") and are essentially binding contracts that regulate the types of gaming and parameters under which that gaming may be conducted in the State of Washington and on Indian reservations.

The Tribe writes to urge the Commission to determine that event contracts tied to sporting events constitute gaming under the Commodity Exchange Act ("CEA"), that such contracts are contrary to the public interest, and that the Commission take affirmative action to ensure that prediction market platforms do not operate in a manner that violate the IGRA or the exclusivity rights guaranteed to tribes under federally approved tribal gaming compacts.

I. *Prediction Market Contracts Are Gaming Under the CEA*

The CEA expressly authorizes the Commission to prohibit event contracts that involve "gaming" as contrary to the public interest. CEA § 5c(c)(5)(C)(i)(V). A major focus of the event contracts proliferating the internet involve sporting contests. The Commission should determine that sports-

related event contracts that allow users to wager on the outcomes of National Football League, National Hockey League, National Basketball League, Major League Baseball, college sporting events, individual player performance, and game-level statistics such as point spreads and over/under totals, constitute "gaming" within the meaning of the CEA.

These contracts are not meaningfully different from the sports wagers offered at tribal casinos and regulated sportsbooks. They involve the staking of money on the outcome of a future sporting event, with payoffs determined by chance and the final score. Prediction market operators have structured these products to resemble financial instruments by calling them "event contracts" or "trades" rather than bets, but rebranding does not change the underlying activity. A wager on whether the Seattle Seahawks will cover the spread is a wager on a sporting event regardless of whether it is placed through a tribal sportsbook or through a CFTC-registered exchange. The Commission should look through form to substance and find that sports-outcome contracts involve "gaming" for purposes of the CEA.

The public interest factors under CEA § 3 reinforce this conclusion. The CEA's purposes are to manage price risks, facilitate price discovery, and protect market participants from abusive practices. Sports prediction contracts serve none of these purposes in any meaningful economic sense. Sports-outcome contracts differ from agricultural futures and financial swaps, which help manage real economic risks like price changes or interest rates. These contracts do not protect against any underlying risk and are purely speculative bets. The Commission has previously recognized that a contract's economic purpose matters for regulation, and contracts that do not support hedging or price discovery should be viewed with skepticism. That is exactly how the Commission should approach these sport contracts.

II. *These Contracts Constitute Illegal Gaming Under IGRA*

Contracts on events, especially sports-related contracts, reach onto the Muckleshoot Indian Reservation and the Tribe's jurisdiction. Class II and Class III gaming in Indian Country falls within the jurisdiction of the National Indian Gaming Commission ("NIGC"), tribal nations, and in the case of Class III gaming the state. In this framework, the Tribe and the NIGC are the primary regulators. However, platforms offering events contracts, which are essentially gaming, are conducting illegal gaming under federal, state, and tribal law within Indian Country.

The purveyors of these contracts incorrectly assert that the products are not subject to IGRA's oversight mechanisms, tribal gaming ordinances, or the consumer protections and regulatory safeguards that tribal gaming operations are required to maintain. These platforms are operating unlicensed Class III gaming outside of the IGRA framework and in violation of federal law. The Commission should not serve as a vehicle to assist in the evasion of IGRA's requirements. Instead, the Commission should expressly recognize that event contracts involving the outcome of sporting events constitute gaming subject to IGRA and should decline to provide regulatory cover to platforms that have not complied with that statute.

III. *These Contracts Violate State Law*

The Muckleshoot Indian Tribe operates the Muckleshoot Casino Resort in compliance with IGRA. It is a Class III facility, which requires the Tribe to operate the facility under a compact with the

State of Washington that was negotiated pursuant to IGRA and approved by the Secretary of the Interior. That compact grants the Tribe the right to offer sports wagering. It also reflects a carefully negotiated allocation of gaming rights between the Tribe and the State, including express provisions addressing the exclusivity of tribal sports wagering in Washington. The Washington State Legislature has reaffirmed that online gambling is prohibited in Washington, with the sole exception of sports wagers placed and accepted at a tribal gaming facility. RCW 9.46.240; RCW 9.46.0368.

Prediction market platforms that offer Washington residents the ability to wager on sporting events online within the State are directly competing with the Tribe's gaming operations in violation of both Washington law and the terms of the Tribe's federally approved compact. As the Washington State Attorney General's recent complaint against a prediction platform documents in detail, these platforms actively advertise to Washington residents, have hundreds of thousands of users in the State, and specifically promote their ability to allow sports wagers in Washington notwithstanding state law.

The economic harm to the Tribe is concrete. Tribal gaming revenue funds essential governmental services for Muckleshoot tribal members, including health care, education, housing, law enforcement, and cultural programs. When prediction market platforms siphon sports wagering activity away from tribal gaming facilities by offering an online alternative that evades the taxes, regulatory costs, and compact obligations that tribal operators must bear, they directly undermine the economic foundation that IGRA was designed to protect. The Commission should recognize that its regulatory choices have direct and serious consequences for tribal sovereignty and tribal economic self-determination.

IV. *Conclusion*

The Muckleshoot Indian Tribe respectfully urges the Commission to find that: (1) sports-outcome event contracts constitute "gaming" under CEA § 5c(c)(5)(C) and are contrary to the public interest; (2) that CFTC registration does not preempt compliance with IGRA and tribal compact obligations; and (3) coordinate with the National Indian Gaming Commission to ensure that prediction market platforms offering sports wagering comply with IGRA before seeking CFTC designation as a contract market. The proliferation of unregulated online sports wagering through prediction market platforms threatens the foundational structure that Congress established in IGRA to protect tribal gaming rights and uphold the United States' treaty obligations. The Commission has both the authority and the responsibility to prevent its regulatory framework from being used to circumvent that structure.

The Tribe appreciates the Commission's attention to these important issues and is available to provide additional information or to meet with Commission staff to discuss these concerns.

Sincerely,

Donny Stevenson
Chairman