Fond du Lac Band of Lake Superior Chippewa
Reservation Business Committee

Chairman Bruce M. Savage **Secretary/Treasurer** Wayne Dupuis
District I Wally J. Dupuis **District II** Brad Blacketter **District III** Earl Otis

Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: Comment on Proposed Rulemaking Regarding Event Contracts (90 Fed. Reg. 12516, Mar. 16, 2026)/RIN 3038-AF65

Dear Secretary Kirkpatrick,

On behalf of the Fond du Lac Band of Lake Superior Chippewa (the Band), I respectfully submit these comments regarding the Commodity Futures Trading Commission's (the CFTC) proposed rulemaking addressing event contracts and prediction markets. The Band is a federally recognized Indian tribe and a sovereign government. The Band operates gaming facilities which are regulated by Band law, federal law and regulation, and tribal-state compact with the state of Minnesota.

I. The Commodities Exchange Act

The Band urges the CFTC to uphold the Commodities Exchange Act (the CEA), 7 U.S.C. 1-26, and stop the expansion of prediction markets. The Band asks the CFTC to clarify that "prediction markets," which allow users to stake money on uncertain future events, such as sports, elections, and other contingencies, constitute unlawful gaming rather than permissible derivatives activity. As currently structured and marketed, these products are indistinguishable from traditional gambling and undermine federal, state, and tribal law, and longstanding public policy.

A. Prediction Markets Function as Gambling

Prediction markets satisfy the traditional elements of gambling: (1) consideration (money risked), (2) chance (uncertain outcomes not controlled by the participant), and (3) prize (monetary payout). Prediction market platforms also actively ensure liquidity and act economically as the "house," further reinforcing their gambling character. Additionally, certain contracts, like sports event contracts, are not properly regulated as "swaps," because they turn on the outcome of a live event, rather than on the occurrence, nonoccurrence, or extent of occurrence of a live event. The CFTC should

prohibit prediction markets that fundamentally function as gambling and prevent the expansion of prediction markets into gambling.

B. Public Policy Considerations

The CEA established statutory Core Principles for the CFTC, including protections against contract manipulation, upholding conflicts of interest standards, and implementing system safeguards. Allowing event contracts on political events and public discourse raises additional concerns about market manipulation, integrity, and the commodification of the democratic process.

Importantly, tribal gaming offers many of the protections the CFTC is considering, which further highlights that prediction markets are the incorrect mechanism to expand activity that is effectively gaming. Tribal gaming, like other regulated gaming industries, complies with robust regulatory controls, offers Responsible Gaming programs to address problem gambling, follows conflict of interest standards, and undergoes independent testing and auditing to prevent gaming manipulation and promote integrity. Prediction markets are a specific concern to the Band because of their potential for exacerbating problem gambling and addiction, and high-profile examples of insider trading occurring on prediction markets.

C. Special Rule for Review and Approval of Certain Contracts

Additionally, Congress did not intend for swaps or event contracts on the CEA to be limitless. The CEA "Special Rule" (7 U.S.C. §7a-2(5)(C)) lists specific activities subject to review, including activity unlawful under any Federal or State law, terrorism, assassination, war, gaming, or similar activities determined by the CFTC to be contrary to the public interest. A reading of "swap" that encompasses event contracts on gambling, politics, international conflicts, war, assassination, and related issues runs amok of the public interest obligations of the CFTC.

These areas are counter to the public interest because of the inherent risk associated with incentivizing activity that is unlawful or could result in detrimental real-world harm. The CFTC should develop and enforce regulations that, at a baseline, prohibit event contracts or swaps from being registered that create a perverse incentive for individuals to engage in unlawful acts and undermine the democratic process.

The Special Rule highlights another fundamental flaw with a broad scope of contract subjects: the lack of legitimate price discovery functions or hedging. For contracts covered under the Special Rule, there is no feasible price discovery or hedge worth gaining from those contracts. The CFTC should give full effect to the CEA by narrowing the scope of contract subjects to prevent prediction markets from offering contracts that risk public safety and provide no real financial purpose.

II. Conflict with the Indian Gaming Regulatory Act

The Band is also concerned about the impact of the CFTC's proposed rulemaking on Indian gaming. The Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., (the IGRA), assigns and defines regulatory responsibility over gaming between tribal nations, and

the federal and state government. IGRA reflects a careful allocation of authority over gaming activities, including sports wagering and other forms of class III gaming.

Under this regime, regulation of class III gaming on Indian lands is shared between tribes, states, and the federal government. Congress carefully crafted this comprehensive statutory regime to advance clearly articulated policy goals to: (1) "promot[e] tribal economic development, self-sufficiency, and strong tribal governments"; (2) "provide a statutory basis for regulation" that protects tribes' ability to be the primary beneficiary of gaming on their lands; and (3) create the National Indian Gaming Commission, the federal regulatory agency to adopt federal standards and protect tribal gaming as a means of generating tribal revenue.

Allowing federally regulated prediction markets to offer what are in substance, sports bets and other wagers outside IGRA's framework undermines that statutory scheme. It would permit non-tribal, non-state actors to offer gaming products nationwide—without tribal compacts, without state authorization, and without the regulatory safeguards Congress required.

This result would directly erode tribal gaming exclusivity on Indian lands and the economic foundation that IGRA was designed to protect. Indian gaming has had a transformative impact on the Band's economy, by enabling the Band to provide critical services to its members and to be a preeminent employer in its region. If the CFTC continues to permit prediction markets on broad subjects, including sports or expanding their current reach, these markets would divert wagering activity away from authorized systems. Such an outcome would undermine the carefully crafted regulatory structure Congress created, frustrate federal, state, and tribal regulation of gaming, and cause substantial economic harm to the Band and its members.

III. Extend Deadline and Comment Submission Period

The Band also requests an extension to the deadline to submit comments. The CFTC seeks response on a number of complex issues which the Band has only been partly able to address here. Additional time is necessary to provide a full response to the CFTC's request for comments and to better understand the impact of prediction markets. The Band would request that the CFTC extend the proposed comment period by not less than sixty days, and conduct consultation with tribal leaders and gaming regulators in the meantime, consistent with Executive Order 13107.

IV. Conclusion

The CEA prohibits certain event contracts involving gaming and other activities contrary to public interest. The CFTC should:

1. Clarify that contracts based on sports outcomes, elections, or other contingent events that resemble wagering constitute prohibited gaming contracts;
2. Reject attempts to recharacterize gambling products as financial instruments where no legitimate hedging or price discovery function exists;

3. Affirm that federal commodities regulation does not preempt state gambling laws or IGRA;
4. Ensure that its regulatory framework does not create a backdoor for nationwide online gambling; and
5. Extend the time to comment to not less than sixty days and to conduct consultation with tribal leaders and gaming regulators.

For these reasons, the Fond du Lac Band of Lake Superior Chippewa respectfully urges the CFTC to adopt a clear and restrictive approach that clearly delineates regulated gaming from predictive market financial tools, and preserve the integrity of federal, state, and tribal gaming regimes.

Respectfully,



Bruce M. Savage

Chairman