Congress of the United States
Washington, DC 20510

April 30, 2026

Chair Michael Selig
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chair Selig:

I write in response to the Advance Notice of Proposed Rulemaking on prediction markets to urge the Commission to prohibit gaming-related event contracts. The CFTC is expressly barred from permitting contracts that are contrary to the public interest. Unregulated sports-based trading on prediction markets, that is near indistinguishable from traditional online gaming, fails that standard.

The Supreme Court's 2018 decision, which triggered the widespread legalization of sports betting and the rapid expansion of online gaming, has contributed to a public health crisis driven by an industry peddling a known addictive product. The loosening of federal restrictions on sports-related trading on prediction markets by this administration is only further fueling the crisis. While platforms may attempt to draw technical distinctions, the reality is simple: the majority of Americans experience these event contracts as gambling.[1] And in practice, these platforms rely on the same predatory design features and aggressive marketing strategies used by sportsbooks to maximize engagement and encourage impulsive, repeated betting.

Betting is no longer peripheral to sports and entertainment. It is embedded within it. Marketing for betting is relentless, integrated across broadcasts, digital platforms, and social media. As all gaming sectors continue to expand, **prediction markets add yet another layer, enabling speculation on any number of real-world events and effectively creating a boundless betting ecosystem.**

Recent data underscores the scale and speed of this growth. Nearly 30% of Americans now maintain an active online sports betting account, and 15% of Americans betting on sports use prediction markets.[2] At the same time, reports of negative gambling behaviors are rising, with

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[1] https://aibm.org/research/most-americans-see-prediction-markets-as-more-like-gambling-than-investing-new-aibm-ipsos-poll-finds/

[2] https://sri.siena.edu/wp-content/uploads/2026/04/ASFS2026-Release-2-Sports-Betting-Final.pdf

31% of bettors indicating that others have expressed concern about their usage, compared to 22% in 2024.[3] Particularly troubling is the impact on younger populations: between 60% and 80% of high school students report having gambled for money, and young adults are the fastest-growing segment of new users.[4] Prediction markets open the doors for young adults under 21 to legally gamble putting this demographic at even more risk.

This is happening at a time when many young people are already facing increasing cost of living, social isolation, and mental health challenges. Allowing this industry to expand without meaningful oversight risks deepening financial instability and worsening mental health outcomes for those least able to absorb the harm. The consequences are not abstract: gambling addiction is associated with severe financial distress, job loss, housing instability, and profound mental health impacts. Approximately one in five individuals with a gambling disorder will attempt suicide, a rate exceeding that of many substance use disorders. For over a decade, gambling disorder has been recognized as a behavioral addiction comparable in impact to substance dependencies such as opioids, tobacco, and alcohol. Whether offered through a sportsbook or a prediction market, the underlying harms remain the same.

This industry is projected to approach $1 trillion by 2030.[5] We cannot allow this industry to cash in on addiction and expand with no regard to public health. **The Commission should not permit prediction markets to exploit definitional loopholes to bypass existing and future gaming regulations.** Doing so would directly undermine the public interest standard it is charged with upholding.

Sincerely,



Paul D. Tonko
Member of Congress

[3] https://sri.siena.edu/2026/04/13/more-than-a-quarter-of-americans-27-have-an-active-online-sports-betting-account-a-third-have-opened-an-account-at-least-once/
[4] https://youthgambling.mcgill.ca/Gambling2/en/adolescents/adproblems.php
[5] https://www.cnbc.com/2026/04/14/prediction-markets-will-grow-to-1-trillion-by-2030-bernstein-says.html