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PORT GAMBLE S'KLALLAM TRIBE

April 30, 2026

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Comment on Proposed Rulemaking Regarding Event Contracts (RIN 3038-AF65)

Dear Secretary Kirkpatrick:

On behalf of the Port Gamble S'Klallam Tribe (Tribe), I submit these comments in response to the Commodity Futures Trading Commission's (CFTC) proposed rulemaking on prediction markets and event contracts. The Tribe strongly opposes any regulation which would authorize the use of futures markets to facilitate wagering on the outcome of sporting events.

The Tribe is a federally recognized sovereign Indian tribe comprised of more than 1,500 enrolled members and is located on the northern end of the Kitsap Peninsula in Western Washington. Our ancestors negotiated the 1855 Treat of Point No Point, and in that Treaty, the United States recognized the sovereignty of our Tribe and created the trust obligations of the United States to protect our lands and resources, and provide for the health and well-being of our citizens.

In order to meet the needs of our citizens, the Tribe engages in Indian gaming pursuant to Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2701 *et seq*. The Tribe owns and operates The Point Casino and Hotel, which is a vital source of governmental revenue and helps to fill the gaps resulting from insufficient federal funds and Tribal tax base to cover critical Tribal programs.

The Tribe takes seriously its work with state and federal regulators to engage in lawful gaming activities. Now, prediction markets seek to undermine the structure of gaming regulation in the

United States by disregarding tribal sovereignty and wreaking havoc against the balance between state and federal regulation of gaming by offering sports betting subject to the CFTC's exclusive jurisdiction. The Tribe encourages the CFTC to find that such wagering constitutes unlawful gaming and therefore is specifically prohibited as contrary to the public interest under the Commodity Exchange Act (CEA).

Sports-related event contracts are gaming and prohibited under the CEA

The CFTC has authority to determine that an event contract is "contrary to the public interest" if the contract involves gaming. 7 U.S.C. § 7a-2(c)(5)(C)(i)(V). This statute establishes a rule of decision: once a contract "involves" gaming, it is per se contrary to the public interest and barred from trading on a registered entity. This is a categorical prohibition, not a balancing test, and the Tribe urges the CFTC to regulate these contracts accordingly.

Sports-related event contracts clearly involve gaming because they are wagers on the outcome of sporting events such as NFL, NBA, or MLB games. Federal law defines a "bet or wager" as staking something of value on the outcome of a contest or sporting event with the expectation of receiving value based on that outcome. *See* 31 U.S.C. § 5362(1)(A). No material distinction exists between these wagers and sports-related event contracts.

Sports-related event contracts are unlawful under federal, state, and tribal laws, and are prohibited under the CEA

The CFTC also has authority to determine that an event contract is "contrary to the public interest" if the contract is unlawful under federal or state law. 7 U.S.C. § 7a-2(c)(5)(C)(i)(I). Sports wagering is comprehensively regulated under state law and, on Indian lands, under IGRA and tribal laws. And specifically in Washington state, Indian tribes such as the Port Gamble S'Klallam Tribe have the exclusive right to offer sports wagering in their casinos. *See* RCW 9.46.0364. If CFTC authorizes nationwide sports wagering through derivatives markets, this directly conflicts with these regimes without congressional authorization, and violates federal, state, and tribal laws.

For the reasons stated here, the Port Gamble S'Klallam Tribe respectfully urges that the CFTC find that sports-related event contracts are prohibited under the CEA and CFTC regulations, and issue clear guidance and enforcement actions against prediction markets to ensure compliance.

Respectfully submitted,

Amber Caldera
Chairwoman
Port Gamble S'Klallam Tribe