SALT RIVER
PIMA-MARICOPA INDIAN COMMUNITY

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April 29, 2026

Via Electronic Submission

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

Re: Prediction Markets: Advanced Notice of Proposed Rulemaking: request for comments
RIN: 3038-AF65

Dear Mr. Kirkpatrick:

The Salt River Pima-Maricopa Indian Community ("Community") submits these comments in response to the Commodity Futures Trading Commission's Advanced Notice of Proposed Rulemaking ("ANPRM") regarding Prediction Markets. The Community appreciates the opportunity to provide input on a matter that is of the utmost importance to the Community.

The Community is a federally recognized Indian tribe located within the exterior boundaries of Arizona and within the Phoenix Metropolitan Area. The Community owns and operates two casinos.

The Community's position is that the sports event contracts, as currently offered to the public by Designated Contract Markets (DCM) are gaming and are not allowed for many reasons including those raised by the States of Arizona, the State of Nevada, and the Indian Gaming Association.[1]

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[1] Arguments include but are not limited to the plain text of the Commodity Exchange Act ("CEA"), its regulations, legislative intent including that Congress does not hide elephants in mouseholes, tribal and state sovereignty rights, federalism, stretching the federal jurisdiction beyond the permissible reach of interstate commerce, implied repeal issues for other federal laws (e.g., the Wire Act and Indian Gaming Regulatory Act), and as a practical matter – sports events contracts do not involve commodities and should be outside the jurisdiction of the CFTC.

OUR CONCERN– PREDICTIONS MARKETS OFFERING COMPLETE IGAMING

The emphasis of our comments today is where we fear this is all going – unlimited online gaming by DCMs. These fears are not without a sound basis. For example, KalshiEX LLC (a DCM), when defending its election-based contracts against the CFTC in 2024-2025, stated in court that sports-event contracts were illegal.[2] Now, Kalshi is taking the opposite position, and we understand sports event contracts account for over 90% of both contracts offered and its revenue. In fact, Kalshi advertises that it offers legal sports betting in all states. One such slogan stated: "Game on: Kalshi brings 100% legal sports trading to all 50 states."

The next logical step for Kalshi and other DCMs to achieve greater profit potential from the event is to expand into online iGaming.

SEVERE NEGATIVE IMPACTS OF PREDICTION MARKETS ENGAGING IN IGAMING

If DCMs are allowed to offer online casino gaming ("iGaming"), it will have severe negative impacts on the Community's two physical casinos as well as all other tribally-owned and operated casinos within the State of Arizona. For example, the Innovation Group conducted a study in February of 2025 and predicted that the impact on physical casinos from online gaming would be approximately 16 percent of the gaming revenue. The impact on net revenue is likely a much higher percentage. Other studies predicting lower impacts have not currently demonstrated accuracy in their data and therefore the potential of damaging impacts remains a significant risk. Impacts to physical casinos can also vary from state to state as well as vary within each state. This significant risk is another reason why it is critical that the decision of whether a state (and/or tribes within that state) offers iGaming must be a local one.

These negative impacts will not only affect the Community and the government services it provides, but also affect its employees, vendors, surrounding businesses, and many others.

CHANGING THE RULES OF THE GAME

The evolution of gaming in the State of Arizona has been a long, sometimes contentious, and intricate process for both tribes and the State. Through this process, gaming policy in Arizona has been developed and shaped. Now, the State of Arizona and Indian tribes within the state have a strong working relationship. We do not know if iGaming will be allowed in Arizona.

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[2] In Kalshi's legal defense of election-based contracts in a case against the CFTC in 2024-2025, Kalshi argued that election contracts were financial instruments, not "gaming". To differentiate them from illegal gambling, Kalshi's lawyers argued that sports-based contracts constituted "gaming" because a "football game is a game," and therefore, those contracts might be subject to different regulations than elections.

However, we do know that given the impact, the long history of negotiation and evaluation by the state and tribes of this critical issue, it should be a local decision and not a federal matter.

After all the hard work and effort to reach consensus with the State and build its casinos, the Community and other tribes are left to wonder whether the rules of the game will be changed once again. If DCMs are allowed to offer contracts that look and feel like iGaming, that is completely changing the rules of the game. Hopefully that will never occur, but if it does, it must be authorized by clear Congressional action – something that is absent in the 2012 Dodd-Frank amendments to the Commodity Exchange Act.

NEW OR REVISED REGULATIONS MUST CLEARLY PROHIBIT IGAMING IN ALL FORMS

If the CFTC enacts new or amended regulations, we urge that online gaming or iGaming be explicitly prohibited. This prohibition must be broad and clear. DCMs have been innovative at a breakneck speed. It is because of these innovations (and the inconsistent position of Kalshi) that the Community has a very realistic fear that even with broad and clear prohibitions in the revised regulations, DCMs will continue to develop new concepts, definitions, and other mechanisms that will test and attack even a clear prohibition against iGaming and thus errantly lead customers to believe it is the same as iGaming regulated by states and/or tribes. It is imperative that there be a clear message from the CFTC that this is not where "events" is heading.

CREATING PHYSICAL DEVICES THAT LOOK AND FEEL LIKE SLOT MACHINES UTILIZING EVENT CONTRACTS MUST BE BANNED

Today, technology exists that would allow companies to create a physical machine that looks and feels like a slot machine but purports to use event contracts. These machines must be prohibited.

MARGIN TRADING

Finally, the Community would like to address the concept raised in the comments pertaining to "if prediction markets are allowed to offer trading on the margin". As to retail customers, the Community strongly opposed allowing trading in sports event contracts or any underlying activity that could be considered gaming. From the consumer protection and problem-gaming standpoints, it is hard to imagine a poorer public policy decision than allowing consumer margin trading on sports betting contracts.

SPORTS EVENT CONTRACTS BY THOSE UNDER 21 YEARS OF AGE

Arizona law and the Arizona Tribal-Gaming Compact prohibit gaming for those under 21 years of age. Likewise, the purchase of sports event contracts for those under 21 years of age should be prohibited.

Sincerely,

Leonard Ricardo
Vice President
Salt River Pima-Maricopa Indian Community