The Confederated Tribes of the Grand Ronde Community of Oregon
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April 30, 2026

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

sent Via: CFTC Comments Portal

Re: Comments on Prediction Markets, RIN 3038-AF65

Dear Mr. Kirkpatrick:

The Confederated Tribes of the Grand Ronde Community of Oregon ("Grand Ronde") submits the following comments in response to the Commodity Futures Trading Commission's ("Commission") Advance Notice of Proposed Rulemaking, published in the Federal Register on March 26, 2026.

Grand Ronde strongly opposes any revision of the Commission's regulations that would classify sports betting as an event contract. Grand Ronde urges the Commission to clarify that these so-called "sports event contracts" are contrary to the public interest because they constitute gaming, violate federal and state law, and erode tribal sovereignty.

I. Sports Event Contracts are not Derivatives or Swaps.

Sports event contracts are gaming, not a derivative or a swap. Gaming occurs when there is a monetary stake, an outcome determined by chance rather than skill, and a competitive structure in which one participant's gain is another's loss. It is generally entertainment-based speculation. Sports event contracts operate in this very way; patrons stake money on an outcome determined by chance, and the winner's monetary gain is another's loss. Additionally, designated contract markets ("DCMs") that facilitate sports event contracts act as the house, because they take a percentage of the money wagered or fee for placing a bet (like a rake or sportsbook vig) and facilitate winnings and losses. Further, sports events contracts are typically based on arbitrary events and lack the traditional economic purpose (e.g., hedging) of a derivative or swap.

Through self-certification of compliance with the Commission, trading platforms like Kalshi have exploited the Commodity Exchage Act ("CEA") and the Commission's rules to circumvent

gaming regulatory safeguards that have existed for decades. There is a clear distinction between gambling and investing in financial markets – any suggestion otherwise comes from sophisticated commercial interests, like Kalshi, seeking a stake in the American gaming market, free of the regulatory systems designed to protect the public interest. They wrongly attempt to reframe sports betting as a sports event contract. Congress, however, has consistently reaffirmed the Commission's role is to regulate markets that serve bona fide hedging and price-discovery functions that serve an inherent economic interest, not to authorize speculative gambling on the outcomes of events unrelated to economic commodities. Unauthorized and unregulated gambling is contrary to public policy and attempts to pass gambling off as an "investment" on the financial markets constitutes a fraud upon the public.

II. The Commission Should Prohibit Sports Events Contracts as Gaming and Contrary to Public Interest.

Those that argue the CEA has legalized sports wagering nationwide, including on tribal lands, because it classified sports event contracts as swaps that must be exclusively regulated by the Commission are mistaken. Allowing commercial entities to offer sports betting disguised as derivatives, swaps, or legitimate event contracts violates federal, state, and tribal law.

Sports betting is what it is: gambling. Interstate or "federal" sports betting is illegal under the Indian Gaming Regulatory Act ("IGRA") and state law. Since IGRA was enacted in 1988, most tribal governments have adopted gaming laws authorizing gaming activities within tribal jurisdictions. Of these, many have entered gaming compacts with state governments pursuant to IGRA, which allow for what is statutorily referred to as Class III gaming activities. Class III gaming encompasses a broad array of gaming activities from slot machines to card and table games to *wagering on racing and sports events*. Through such gaming compacts, tribal and state governments negotiate not only the scope of gaming permitted, but the regulatory structure and standards that apply to such gaming activities.

Gaming is explicitly listed in the CEA as an activity that can be banned if it harms the public interest. Sports events contracts are functionally indistinguishable from gaming; a point most clearly illustrated on tribal lands. When a patron at a tribal casino places a wager on a game, that transaction is legally mandated as Class III gaming under IGRA, and requires a tribal-state compact. The fact that a patron can stand in the same casino and place an identical wager on a DCM platform, bypassing all tribal regulatory authority, shows that these so called "contracts" are merely unregulated sports betting masquerading as financial derivatives.

When it comes to wagering, there is a longstanding public policy basis for excluding gambling activities from listing and trading on the predictions markets. Gambling is not a financial investment and calling it a derivative or a swap does not change its fundamental character, nor its need for a strong, active regulatory framework to protect its integrity.

Further, the federal government owes a fiduciary duty to tribes to protect tribal assets, resources, and sovereignty. By allowing sports event contracts to illegally operate without any regulation, tribal governments will lose revenues that fund essential government programs, resources, and

support entire tribal and rural economies. Because sports event contracts allow the private sector to offer online gaming nationwide, on tribal lands, without any tribal compacts or state authorization, the transactions are contrary to the public interest and should be prohibited by the Commission.

In addition, to adopt a regulation that classifies sports betting as a derivative, event contract, swap or other financial instrument stretches the reach of the Commission far beyond what Congress intended in the CEA. Doing so would undermine federal Indian law and policy, encroach upon the legally protected rights and interests of American Indian and Alaska Native tribal governments, and encroach upon the right of states to regulate gaming. Grand Ronde strongly urges the Commission to clarify that sports event contracts are prohibited from being listed or made available for clearing or trading.

Finally, the Commission should not begin the rulemaking process until it has properly consulted with tribal governments as required by Executive Order 13175. Executive Order 13175 requires regular and meaningful consultation and collaboration between Federal Agencies and tribal officials in the development of Federal regulations or policies that have tribal implications.

Grand Ronde appreciates the Commission's consideration of our comments, and we look forward to formal consultations to address these issues.

Respectfully,

Cheryle A. Kennedy
Tribal Council Chairwoman

cc: Tribal Council
Chief of Staff
Tribal Attorney