Before the Commodity Futures Trading Commission
Re: Prediction Markets, RIN 3038-AF65

Comments in Response to Advance Notice of Proposed Rulemaking, published on March 26, 2026, in the Federal Register, Vol. 91, No. 50, p. 12516
Offered by Winnebago Tribe of Nebraska

To the Commission:

The Winnebago Tribe of Nebraska ("Tribe") submits these comments in response to the Commodity Futures Trading Commission's ("CFTC's") Advance Notice of Proposed Rulemaking ("ANPRM") on prediction markets and event contracts, published on March 26, 2026, in the Federal Register, Vol. 91, No. 50, p. 12516. The Tribe is a federally recognized Indian tribe, and its gaming operations are a critical foundation of tribal economic development, self-sufficiency, and governmental stability.

These comments convey the Tribe's strong opposition to any revision of the CFTC's regulations that would purport to authorize the use of futures markets to facilitate wagering on the outcome of sporting events under the Commodity Exchange Act ("CEA"), 7 U.S.C. § 1 et seq. Sports-event contracts are not ordinary financial instruments. They are, in substance, wagers. Treating them as derivatives, event contracts, swaps, or other financial instruments would stretch the CFTC's authority beyond what Congress intended, undermine federal Indian law and policy, and intrude upon the sovereign authority of tribal and state governments to regulate gaming within their respective jurisdictions.

Over the past year, CFTC inaction has allowed prediction-market platforms to offer so-called "event contracts" based on the outcome of sporting events outside lawful tribal and state gaming frameworks. These products compete directly with tribal and state-regulated gaming while avoiding the legal, regulatory, integrity, consumer-protection, and public-revenue obligations imposed on those who operate gaming lawfully. That is not fair competition. It is regulatory arbitrage.

Indian Gaming and IGRA

Congress enacted the Indian Gaming Regulatory Act ("IGRA") to establish a statutory framework for Indian gaming as a means of promoting tribal economic development, self-sufficiency, and strong tribal government. IGRA also makes clear that tribes retain the **exclusive right** to regulate gaming on Indian lands unless federal law provides otherwise. [25 U.S.C. §§ 2701(5), 2702(1).] That recognition is central, not incidental. IGRA is not merely a backdrop for tribal gaming. It reflects the federal government's affirmative decision to protect tribal gaming as

a governmental revenue source and to provide tribes with distinct legal protections and regulatory safeguards in furtherance of tribal self-determination.

Within that federally protected framework, the Tribe has invested in and operated WinnaVegas Casino for more than 30 years pursuant to a Tribal-State compact with Iowa. [Winnebago Tribe Letter dated Apr. 17, 2026, at 1–2; copy attached.] Revenues generated through WinnaVegas are not merely commercial receipts. Under IGRA, net revenues from tribal gaming must be – and are – used for tribal government operations and programs, the general welfare of the Tribe and its members, tribal economic development, charitable giving, and support for local government agencies. [25 U.S.C. § 2710(b)(2)(B).] Those revenues help keep tribal government functioning, support families, support elders and children, expand opportunities, and strengthen both the Tribe and surrounding communities. They help fund the real work of self-government and community stability—services, programs, and investments that affect daily life for Native and non-Native people alike.

Commercially Regulated Gaming Under Federal and State Law

In addition to "Indian gaming," the Tribe also has substantial interests in state-regulated commercial gaming through tribally owned entities that have invested heavily to earn and maintain commercial gaming licenses and operate under demanding regulatory standards. As reflected in the Tribe's April 17, 2026 letter to U.S. Senators and Congressmen, the Tribe, through WarHorse Gaming, has invested approximately $350 million in gaming development in Nebraska. [Winnebago Tribe Letter dated Apr. 17, 2026, at 1–2; copy attached.] Those investments were made within Nebraska's lawful state-regulated commercial gaming framework, not outside it. [Id.] Although WarHorse operates in the commercial gaming sector rather than under IGRA, it is tribally owned, and the revenues it generates support the Tribe's broader governmental and economic interests while also benefiting workers, local businesses, and surrounding communities.

Taken together, the Tribe's gaming operations reflect substantial governmental and economic interests developed through significant investment within lawful tribal and state gaming frameworks — not outside them. That distinction matters here. These are not speculative or incidental interests. They are longstanding, heavily regulated operations on which the Tribe, its governmental functions, and surrounding communities have come to rely. Allowing federally regulated prediction-market products to compete directly with those gaming operations while avoiding comparable legal and regulatory burdens would not create a level playing field. It would reward regulatory avoidance at the expense of tribal and state systems that have complied with the law.

The CEA imposes federal limits on the Commission's authority, including through the Special Rule for event contracts involving gaming or unlawful activity. Those limits matter here because sports-event contracts are not ordinary financial instruments; they are wagering products that Congress did not authorize the CFTC to normalize through federal derivatives regulation. A rule allowing such products would undermine federal Indian law and policy, encroach upon the

legally protected rights and interests of tribal governments, and intrude upon the inherent sovereignty of both tribal and state governments to regulate gaming within their respective jurisdictions.

The Tribe opposes the continued expansion of sports-event contracts and similar gaming-like event contracts through CFTC-regulated markets. Sports-event contracts are, in substance, gambling. They violate federal, tribal, and state law and are contrary to public policy. The Commission should affirm its current interpretation of the CEA and clarify that sports-event contracts are prohibited from being listed, cleared, or traded on regulated markets. The Commission should interpret and apply the CEA so that the federal derivatives framework is not used to distribute products that compete directly with tribal and state-regulated gaming while sidestepping the legal, regulatory, integrity, and consumer-protection obligations imposed on those who operate gaming lawfully. [7 U.S.C. § 7a-2(c)(5)(C); 17 C.F.R. § 40.11.]

The Tribe organizes these comments by issue area, identifies the relevant topic numbers, and provides supporting information and cost-benefit considerations where appropriate.

I. Topic Nos. 15, 16, 19(a)–(f), 20, 24, and 25: Federal Limits, Gaming, Sports Contracts, and the Meaning of "Involve"

Self-Certification and the Regulatory Gap

The current system is not working. The Commission is being pressed by commercial interests to reconsider its prior public-interest determinations in order to permit sports wagering through so-called event contracts under the CEA. Sports-event contracts are being used to offer products that function like sports wagering, compete with tribal and state-regulated gaming, and reach the public through a federal derivatives pathway that does not impose comparable gaming regulation. That activity contravenes tribal and state interests and intrudes upon the sovereign authority of tribal and state governments to regulate and/or police within their own respective jurisdictions.

Statutory Limits, the Special Rule, and Federal Law

The CEA's Special Rule confirms that result. It provides that the Commission may determine that agreements, contracts, or transactions are contrary to the public interest if they involve, among other things, "gaming" or "activity that is unlawful under any Federal or state law." It further provides that any agreement, contract, or transaction determined to be contrary to the public interest under that provision may not be listed or made available for clearing or trading on or through a registered entity. [7 U.S.C. § 7a-2(c)(5)(C).] This provision reflects Congress's judgment that gaming-related contracts are not ordinary financial products and should not be permitted to enter federally regulated derivatives markets.

Sports-event contracts also raise independent concerns under federal law. The federal Wire Act prohibits the use of interstate wire communications to transmit bets or wagers on sporting

events. [18 U.S.C. § 1084(a).] Allowing sports-event contracts to function as a form of interstate wagering through federally regulated exchanges would create unacceptable and unnecessary tension with that statutory prohibition.

Finally, the Commission cannot use rulemaking to expand its jurisdiction beyond the limits set by Congress. A federal agency may not rewrite or effectively amend a statute through regulation. [*See Virginia v. EPA*, 597 U.S. 697 (2022); *FDA v. Brown & Williamson Tobacco Corp*., 529 U.S. 120 (2000); *Utility Air Regulatory Group v. EPA*, 573 U.S. 302 (2014).] Any regulatory approach that attempts to authorize sports-event contracts as permissible derivatives would impermissibly conflict with the text of the CEA, the Special Rule's prohibition on gaming-related contracts, and Congress's express intent.

For these reasons, sports-event contracts are not merely a policy concern. They fall outside the proper scope of permissible activity under the CEA. The Commission should reaffirm that such contracts involve gaming and are prohibited from being listed, cleared, or traded on federally regulated markets.

Substance Must Control Over Form

The core legal issue is not whether these products can be linguistically described as swaps or futures. The issue is whether the CEA and the exchange listing framework should be used as a delivery mechanism for contracts that, in economic substance, involve gaming. The Tribe submits that they should not.

Under Topic No. 19, the Commission asks what sources should inform the meaning of "gaming," whether gaming is synonymous with gambling statutes, whether entertainment purpose and chance are relevant characteristics, and how sports competitions should be treated as compared with other contests.

The Commission should apply a substance-over-form interpretation. A contract involves gaming when, viewed realistically, it invites participants to risk money on the outcome of a contest or event to receive a payout based on being right, especially where the product's commercial appeal is entertainment-centered rather than tied to commercial risk management.

Sports-event contracts are the clearest example. For most market participants, a contract on the outcome of a sporting contest, or on proposition-style outcomes within a sporting event, is functionally indistinguishable from sports wagering. That conclusion does not change because the product is listed on an exchange, uses derivatives terminology, or is cleared through a CFTC-regulated structure.

The term "involve" should be read according to its functional scope: a contract need not be identical to sports betting to fall within the prohibition if, in practice, it operates as wagering. A narrower reading would allow exchanges to avoid the statute through superficial differences in

form, labeling, or contract design, even where the economic substance and consumer use are the same.

The Tribe's own experience makes the point concrete. As stated in the Tribe's April 17, 2026 letter, a user in Nebraska may be unable to place a conventional sports wager yet may be directed to a prediction-market product that functions, for practical purposes, the same way. That is not a product-design detail. It is a regulatory bypass. [Winnebago Tribe Letter, copy attached.] It diverts activity from tribal and state-regulated gaming systems, including tribally owned commercial gaming operations, while avoiding the licensure, tax, consumer-protection, responsible-gaming, and oversight obligations those systems impose.

That result is inconsistent with the purpose of the statutory framework. Congress did not create the federal derivatives regime so that sports wagering and similar gaming products could migrate into federally regulated exchanges under another label. In the 2010 Senate colloquy cited in Commission materials, Senator Lincoln stated that the provision was intended to "*prevent gambling through futures markets*" and to strengthen the government's ability to protect the public interest from *gaming contracts and other event contracts*. [156 Cong. Rec. S5907 (daily ed. July 15, 2010) (statement of Sen. Lincoln). Emphasis added.] That history shows that the relevant statutory provisions were designed to stop this kind of migration, not normalize it.

The current expansion of sports-event contracts through self-certification confirms the problem. CFTC Staff Advisory No. 25-36 explains that sports-related event contracts were being listed or facilitated by registered entities, noted state regulatory actions and pending litigation concerning their legality, and stated that such contracts had been listed through self-certification rather than prior Commission approval. The advisory also noted that the Commission had not made a determination whether such contracts involve an activity enumerated or prohibited under CEA section 5c(c)(5)(C)(i) or Regulation 40.11(a). [Commodity Futures Trading Commission, Staff Advisory No. 25-36, *Sports-Related Event Contracts* (2025).] That is a regulatory gap being used in real time.

The Commission should answer Topic No. 25 accordingly. A contract "involves" gaming when its subject matter, practical consumer appeal, and expected market use tie it sufficiently to gaming as a functional category. A cramped interpretation limited to products explicitly labeled "gambling" or "sports betting" would invite evasion and undermine the statute. A substance-over-form reading is the only reading that preserves the boundary Congress drew between derivatives markets and gaming markets.

II. Federal Indian Law, Tribal Self-Determination, and the Tribe's Lawful Gaming Interests Are Central Public-Interest Considerations

In assessing the public interest, the Commission should give substantial weight to federal Indian law, tribal self-determination, and the gaming interests of federally recognized tribes. Congress enacted the Indian Gaming Regulatory Act ("IGRA") to promote tribal economic

development, self-sufficiency, and strong tribal government, and it expressly recognized that tribes retain the exclusive right to regulate gaming on Indian lands unless federal law provides otherwise. [25 U.S.C. §§ 2701(4)–(5), 2702(1)–(2).] Those protections arise from the broader federal relationship with federally recognized tribes and are directly implicated where prediction-market products function like gaming and compete with tribal operations.

Tribal Investment, Reliance, and Economic Impact

The Winnebago Tribe's position is grounded in longstanding operations and substantial investment. The Tribe has operated WinnaVegas Casino for more than 30 years pursuant to a Tribal-State compact with Iowa, and through WarHorse Gaming it has invested approximately $350 million in gaming development in Nebraska. [Winnebago Tribe Letter dated Apr. 17, 2026; copy attached.] Both were developed within heavily regulated tribal and state gaming systems.

The national picture shows that these are not isolated concerns. As the National Indian Gaming Commission reported, Indian gaming generated $43.9 billion in gross gaming revenue in FY 2024. [National Indian Gaming Commission, "*NIGC Announces Record $43.9 Billion in FY 2024 Gross Gaming Revenues*."] That revenue helps fund tribal government, public services, economic development, and long-term stability across Indian Country.

The question for the Commission is whether the federal derivatives framework should be used to expand products that compete directly with tribal and state-regulated gaming while avoiding the burdens those systems must bear. For the Tribe, the consequences are clear: pressure on governmental revenue, risk to tribally owned investment, and disruption of settled expectations built over decades under existing law. If sports-event contracts continue to expand on those terms, activity will be drawn away from regulated tribal and state systems and into a federal channel that does not impose the same licensure, integrity, consumer-protection, and public-policy requirements.

That outcome would not be neutral. It would weaken revenue that sustains tribal government, undercut investment made in reliance on existing law, and strain the governmental and community functions those revenues help support. The Commission should weigh those tribal governmental, financial, and reliance-based concerns accordingly.

The Commission should also recognize that this is not merely a question of market design. Allowing sports-event contracts to proceed through federally regulated prediction markets would interfere with the sovereign right of tribal and state governments to exercise their police powers to regulate, limit, or prohibit gaming activity within their jurisdictions. That authority is fundamental to tribal self-government and to the broader structure of American federalism.

III. Topic Nos. 7–11, 14, 38, and 39: Core Public-Interest Principles, Economic Purpose, and Cost-Benefit Considerations

The Commission's 2008 Concept Release asked what public interests are served by event contracts and how the Commission should address their gaming aspects and possible preemption of state gaming laws. [CFTC, "*Concept Release on the Appropriate Regulatory Treatment of Event Contracts*," 73 Fed. Reg. 25669, 25670 (May 7, 2008).] Those questions are no longer theoretical. The expansion of sports-event contracts would move wagering-like activity into a federal derivatives channel while bypassing tribal and state systems that regulate gaming, protect consumers, fund public programs, support tribal self-government, and protect substantial regulated investment.

CEA sections 3 and 15 require a disciplined public-interest analysis, not a generalized appeal to innovation or market access. CEA section 3 identifies the public interests served by derivatives markets, including risk management, price discovery, pricing information, market integrity, financial integrity, protection of market participants, responsible innovation, and fair competition. [CEA § 3, 7 U.S.C. § 5.] CEA section 15(a) requires the Commission to consider the costs and benefits of its actions in light of, among other things, the protection of market participants and the public, efficiency, competitiveness, financial integrity, price discovery, sound risk management practices, and other public-interest considerations. [CEA § 15(a), 7 U.S.C. § 19(a).] Those factors do not support treating sports-event contracts as ordinary derivatives.

The principal appeal of sports-event contracts is that a participant may risk money on the outcome of a sporting event and receive a payout if the participant is right. That is wagering in economic substance, not risk transfer or price discovery serving a commercial function. Sports-event contracts generally do not hedge commercial exposure or provide price-basing utility comparable to commodity or financial derivatives used to manage real economic risk. This is especially clear for contracts tied to single-game outcomes or in-event propositions, such as specific plays or player performance, which create short-duration, repeatable exposure resembling wagering activity.

Likewise, a market price on a sporting outcome is not the same thing as price discovery serving a commercial or financial risk-management function. Where the product's practical use is wagering rather than hedging, price discovery, or risk transfer, the claimed benefits — information aggregation, innovation, and retail access — are weak. The relevant costs are concrete: regulatory arbitrage, erosion of tribal and state gaming systems, consumer-protection and integrity risks, loss of public revenue, and competitive distortion that rewards labeling over substance.

Further, a federal pathway for functionally similar sports-wagering products would impose costs on tribal governmental and tribally owned commercial gaming interests that CEA section 15(a) requires the Commission to consider. Tribal gaming is not ordinary private commerce: Congress enacted IGRA to promote tribal economic development, self-sufficiency, and strong tribal government, and to protect tribal authority over gaming on Indian lands unless federal law provides otherwise. [25 U.S.C. §§ 2701(4) – (5), 2702(1) – (2).] The Tribe also has substantial interests in state-licensed commercial gaming operations developed under comprehensive state

regulatory frameworks. Revenues from both tribal gaming and tribally owned commercial gaming support governmental operations, public services, economic development, charitable giving, workers, local businesses, and surrounding communities.

Consumer Protection and Regulatory Safeguards

The Commission must also account for the public risks that arise when wagering-like products are offered outside established gaming regulatory frameworks. Tribal and state gaming systems impose requirements developed over decades, including minimum-age restrictions, identity and age verification, responsible-gaming programs, self-exclusion tools, internal controls, licensing, audits, surveillance, and ongoing regulatory oversight. IGRA itself reflects Congress's judgment that Indian gaming requires regulation sufficient to ensure fair and honest gaming, protect tribes as the primary beneficiaries, and address criminal or corrupting influences. [25 U.S.C. §§ 2701(5), 2702(2), 2710(d)(3)(C); IGRA, Pub. L. No. 100-497, 102 Stat. 2467 (1988).] Those requirements reflect known risks of wagering products, including underage participation, problem gambling, fraud, and integrity concerns. Ordinary exchange registration is not an adequate substitute for comparable gaming-specific safeguards.

Nebraska-specific interests reinforce the point. The Tribe, through tribally owned entities, has made substantial investments in Nebraska's state-licensed commercial gaming framework. That framework imposes licensure, tax, consumer-protection, and compliance obligations, and distributes gaming tax revenue to public purposes, including property-tax relief, the State General Fund, compulsive-gambling assistance, and local governments. [Nebraska Racing and Gaming Commission, *State Gaming Tax Revenue Reporting: Gaming Operations the Month of Jan-26*, (Jan. 2026).] A federal pathway for sports-event contracts threatens to divert activity from that system while avoiding the same regulatory and fiscal obligations. That is not fair competition within the meaning of CEA section 3. It is regulatory arbitrage.

The Commission should therefore conclude, under Topic Nos. 7–11, 14, 38, and 39, that sports-event contracts and similar gaming-like event contracts do not materially advance the public-interest purposes of the CEA. They impose substantial costs on tribal governments, tribally owned commercial gaming operations, state regulatory systems, consumers, and the public, while offering little or no corresponding benefit tied to hedging, price discovery, financial integrity, or sound risk management. Those costs outweigh any speculative benefit from listing such products on federally regulated prediction markets.

IV. Topic Nos. 23-28: Procedure, Category-Level Determinations, and the Limits of Self-Certification

The current process allows gaming-like products to enter the market before the Commission has determined whether they are permissible. Sports-event contracts have been listed through self-certification without a prior Commission determination on whether they involve gaming or are contrary to the public interest. That sequence places the burden on regulators, tribes,

states, and the public to react after products are already trading and scaling. For sports-event contracts and similar gaming-like products, that is backwards. Front-end, category-level review is necessary.

The Commission asks for comment on: when it may conduct public-interest review, whether it may act at the category level rather than contract by contract, how broadly it should interpret its authority to act "in connection with the listing," and what procedural tradeoffs should inform that approach.

The answer should be clear: the Commission has authority to act early, broadly, and by category, and it should do so here.

The Tribe submits that category-level treatment is both permissible and necessary where the relevant concerns arise from the nature of the product category itself: sports contests, entertainment-driven retail participation, direct overlap with tribal and state-regulated gaming, and heightened manipulation, integrity, and consumer-protection risks.

A contract-by-contract approach is too porous and too slow. It invites exchanges to make incremental drafting changes, subdivide markets, or relabel substantially similar products while preserving the same economic function. If the Commission relies on an atomized review, the result will be evasion by iteration. Category-level determinations are necessary to prevent the listing process from becoming a pathway for gaming-like products to scale before meaningful regulatory review occurs.

The Commission should also interpret "in connection with the listing" broadly enough to permit meaningful preventative action. If review occurs only after a sports-event contract is already operating and expanding, the Commission will remain behind the market. The procedural record confirms this problem. As the Commission's 2025 staff advisory explains, sports-related event contracts have been listed through self-certification while state regulatory actions and litigation were unfolding, and without a Commission determination on whether those contracts involve gaming under CEA section 5c(c)(5)(C)(i) or Regulation 40.11(a). [Commodity Futures Trading Commission, Staff Advisory No. 25-36, *Sports-Related Event Contracts* (2025).] That sequence should not continue.

Platform Structure and Market Function

Platform structure also reinforces the need for category-level and front-end review. Public materials indicate that Kalshi Trading LLC, an affiliate of the exchange, was approved as a member and commenced trading on the platform, and that designated market makers must maintain two-sided quotes with minimum depth and may receive differentiated benefits and position-accountability treatment. [KalshiEX LLC, Notice of Affiliate Entity Member (Sept. 21, 2021); KalshiEX LLC Member Agreement; KalshiEX LLC Rulebook rr. 4.2-4.5.] This structure does not, by itself, establish wrongdoing. It does, however, raise a material public-interest question whether a platform presented as a neutral exchange for peer-to-peer price discovery may, in practice,

depend on affiliated or specially situated liquidity providers in ways that resemble a house-supported wagering model.

That concern is not theoretical. Where affiliated or designated liquidity providers support continuous execution – including for complex or rapidly resolving event positions – the platform tends to function less like a traditional exchange and more like a system designed to ensure wagering availability. That possibility reinforces the need for front-end scrutiny, structural transparency, and clear Commission standards before such products are permitted to scale further through self-certification.

The procedural cost-benefit analysis therefore favors a clearer, front-end, category-based approach. The costs of clearer rules are modest: exchanges may lose certain listings or face additional compliance requirements. Yet those costs are outweighed by the benefits of legal clarity, reduced regulatory arbitrage, stronger protection for market participants and the public, and preservation of coherent boundaries between federal derivatives regulation and tribal and state gaming regulation.

V. Topic Nos. 29–32: Inside Information, Manipulation, Integrity, and Consumer-Protection Risks

Integrity and Information-Asymmetry Risks

Separate from platform-structure concerns, the integrity risks are no longer hypothetical. The Commission's own Enforcement Division has identified prediction-market cases involving misuse of nonpublic information and fraud on KalshiEX, including a political candidate trading on his own candidacy and a YouTube editor trading with likely advance knowledge of unreleased video content. [CFTC, *CFTC Enforcement Division Issues Prediction Markets Advisory*, Release No. 9185-26 (Feb. 25, 2026).] Those examples show the problem directly: event contracts can give people with influence over, or advance knowledge of, an event a financial reason to trade on that advantage.

The Advance Notice of Proposed Rulemaking (ANPR) asks whether there is public-interest value in allowing trading by people with asymmetric information, whether some events are controlled by a single person or small group, and how anti-manipulation and insider-related concerns should shape the framework.

For sports-event contracts and similar contest-based markets, those risks are acute. Nonpublic injury information, lineup decisions, participant health, officiating-related facts, internal team information, and other event-specific developments may materially affect prices. These are not incidental risks. They are built into sports-event markets, and they look more like gaming-integrity and contest-integrity concerns than ordinary commodity-price discovery.

The consumer-protection risks are just as serious. Sports-event contracts offered to the general public create the same baseline risks that have long justified gaming-specific safeguards:

underage participation, account sharing, rapid-repeat speculative behavior, impaired decision-making, and the need for tools to identify and assist high-risk users.

Tribal and state gaming systems do not treat those issues as optional. Under IGRA, Class III tribal gaming is conducted pursuant to Tribal-State compacts that address the regulation of gaming activity, while state commercial gaming frameworks impose their own responsible-gaming, age-verification, identity-verification, and oversight requirements. For example, Nebraska maintains responsible-gaming resources, including a voluntary self-exclusion program and a 24-hour problem-gambling helpline. Iowa's self-exclusion framework provides for exclusion from licensed wagering areas and forfeiture of winnings for violators. Iowa sports-wagering rules require account-level age verification and identity matching, while Nebraska gaming control standards require electronic verification of core identifying information. [25 U.S.C. § 2710(d)(3)(C); Iowa Code § 99F.4(22); Iowa Admin. Code r. 491-13.2; r. 491-13.5; Nebraska Racing and Gaming Commission, Responsible Gaming; Nebraska Commission on Problem Gambling; Nebraska Racing and Gaming Commission, Minimum Internal Control Standards, MIC P.3.]

Sports-event contracts that are functionally interchangeable with sports wagering should *not* be permitted to proceed through prediction markets. The absence of comparable safeguards for self-exclusion, age-gating, identity verification, monitoring for compulsive play patterns, customer notices, and intervention is itself a public cost. Ordinary exchange surveillance may address some trading misconduct, but it is not a substitute for gaming-specific rules aimed at underage play, problem gambling, account misuse, and consumer intervention.

These integrity and consumer protection risks reinforce the public-interest and procedural concerns discussed above. They also would require the Commission to devote limited federal enforcement and surveillance resources to policing wagering-like activity that tribal and state gaming regulators already regulate directly under IGRA and state commercial gaming laws. That is not regulatory efficiency. It is duplication caused by regulatory arbitrage. The Commission should treat manipulation, information-asymmetry, and consumer-protection risks as further grounds for categorical prohibition under CEA section 5c(c)(5)(C), not as reasons to normalize sports-event contracts within the derivatives framework.

VI. Topic Nos. 38 and 39, with Cross-Reference to Topic Nos. 6, 14, 22, and 28: Consolidated Cost-Benefit Conclusions

The Commission requests cost-benefit input throughout the ANPR. Applying CEA section 15(a), the Tribe's position is straightforward: the costs of allowing sports-event contracts and similar gaming-like products to expand through self-certification materially outweigh any demonstrated benefits. [CEA § 15(a), 7 U.S.C. § 19(a).]

Protection of market participants and the public. Sports-event contracts expose the public to wagering-like products without the full set of gaming-specific consumer protections, age

restrictions, identity-verification standards, responsible-gaming tools, treatment-funding structures, and integrity safeguards required in tribal and state gaming systems. Nebraska's gaming-tax reporting shows that authorized gaming activity funds public purposes, including the Compulsive Gamblers Assistance Fund, the Property Tax Credit Cash Fund, and local-government shares. For January 2026, Nebraska reported total state gaming-tax distributions of approximately $5.19 million, including approximately $129,690 to the Compulsive Gamblers Assistance Fund and approximately $3.63 million to the Property Tax Credit Cash Fund. [Nebraska Racing and Gaming Commission, *State Gaming Tax Revenue Reporting: Gaming Operations the Month of Jan-26* (Jan. 2026).] Diverting wagering-like activity away from that regulated system while avoiding comparable consumer-protection and public-fiscal obligations imposes a concrete public cost.

Efficiency, competitiveness, and financial integrity. It is not fair competition to allow one set of operators to offer functionally similar wagering products through a lighter federal pathway while tribal and state-regulated gaming operators remain subject to licensure, taxation, responsible-gaming, consumer-protection, and compliance obligations. That is regulatory arbitrage, not market efficiency. It also threatens settled expectations and substantial investments made by tribal governments and tribally owned commercial gaming operators under existing legal frameworks.

Price discovery. Sports-event contracts offer little demonstrated price-discovery value of the kind the CEA has historically protected. Their prices may reveal market beliefs about the outcome of a contest, but that is not the same as price discovery for commercial markets, commodities, or risk transfer. The Commission's Nadex order is instructive: the Commission concluded that the political event contracts at issue could not reasonably be expected to be used for hedging and had no price-basing utility. [CFTC, *Order Prohibiting the Listing or Accepting of Political Event Contracts* (Sept. 22, 2023).]

Sound risk-management practices. Sports-event contracts generally do not serve the risk-management functions that justify federal derivatives regulation. They are speculative instruments centered on contingent outcomes, not classic hedging tools. Allowing them to expand through self-certification would require the Commission to devote limited federal oversight and enforcement resources to wagering-like activity already regulated directly under IGRA and state commercial gaming laws.

Taken together, the section 15(a) factors weigh against continued expansion. The claimed benefits are speculative and weak; the costs to consumers, tribal governments, tribally owned commercial gaming operators, state regulatory systems, public revenues, and market integrity are concrete. The Commission should treat those costs as grounds for categorical restriction or exclusion of sports-event contracts and similar gaming-like products.

Conclusion

For the reasons set out above, the Winnebago Tribe of Nebraska respectfully urges the Commission to take the following positions:

Under Topic Nos. 15, 16, 19(a)-(f), 20, 24, and 25, sports-event contracts and analogous contest-based contracts offered to the general public should be treated as involving gaming, implicate the CEA's Special Rule and federal limits on the Commission's authority, fall outside the proper scope of permissible activity under the CEA, and are prohibited under CEA section 5c(c)(5)(C).

Under Topic Nos. 7–11, 14, and 38–39, the Commission should conclude that these contracts do not materially advance the public-interest purposes of derivatives markets and instead impose substantial costs on consumers, tribal governments, tribally owned commercial gaming operations, state regulatory systems, public revenues, and market integrity.

Under Topic Nos. 23–28, the Commission should adopt front-end, category-level public-interest review and should not allow self-certification to remain the default pathway for gaming-like event contracts.

Under Topic Nos. 29–32, the Commission should treat manipulation, inside-information, integrity, and consumer-protection risks as further grounds for prohibition, not as reasons to normalize these products within the derivatives framework.

Sports-event contracts that operate as wagering products should be prohibited. In sum, the Commission should maintain and enforce the CEA's Special Rule and its implementing regulations and affirm that sports-event contracts are prohibited from being listed, cleared, or traded on financial markets pursuant to the CEA. They should not be normalized through self-certification, conditional compliance, or after-the-fact enforcement.

The current trajectory is not a minor extension of derivatives practice. It is the use of a federal market structure to distribute products that compete directly with tribal and state-regulated gaming while bypassing the legal frameworks that govern gaming. That result is inconsistent with CEA section 5c(c)(5)(C), the Commission's historical treatment of gaming-related event contracts, the CEA's limits on the Commission's authority, the federal prohibition on interstate sports wagering, federal Indian law, and the federal policy reflected in IGRA. The Commission should stop that result now.

Respectfully submitted,



Coly Brown, Chairman
Tribal Council
Winnebago Tribe of Nebraska