

February 20, 2025

**The Honorable Caroline Pham
Acting Chair
Commodity Futures Trading Commission**

**The Honorable Kristen Johnson
Commissioner
Commodity Futures Trading Commission**

**The Honorable Summer Mersinger
Commissioner
Commodity Futures Trading Commission**

**The Honorable Christy Goldsmith Romero
Commissioner
Commodity Futures Trading Commission**

**Re: Prediction Markets Roundtable
*Transmitted Electronically***

Dear Acting Chair Pham and Commissioners:

On behalf of the American Gaming Association (AGA), I would like to formally request our organization's participation in the Commodity Futures Trading Commission's (CFTC or Commission) upcoming roundtable regarding prediction markets.

The AGA is the national trade group representing the legal U.S. gaming industry, which supports 1.8 million jobs across the country. Our membership consists of commercial and tribal casino operators, U.S.-licensed gaming suppliers and vendors, licensed sportsbook operators, testing labs, and other key stakeholders. The gaming industry is one of the most highly regulated in the country at every level of government, and our members constantly work to provide consumers with a safe gaming environment and to give back to their communities.

The AGA has not taken a position on election contracts or others unrelated to sports and have previously filed comments expressing openness to CFTC-regulated contracts that could provide bona fide risk management tools to regulated sportsbooks. However, the AGA and our members have very strong concerns about the recent self-certification of what are essentially sports betting futures, which are currently available to retail customers in all 50 states. We believe these sports events contracts are problematic for a variety of public policy reasons, which we highlight briefly below and would welcome the opportunity to discuss in more detail during the roundtable.

Over the last 7 years, states have moved to legalize and regulate sports betting. Today there are 40 [jurisdictions](#) that allow for this activity to take place through licensed operators who are subject to stringent regulations designed to protect customers, uphold game integrity, and promote responsibility, while also deriving economic and tax benefits for each respective jurisdiction. In addition to posing an unfair economic threat to sportsbook operators who have invested in pursuing licensure and regulatory compliance on a jurisdiction-by-jurisdiction basis, the introduction of a "national" sports betting product severely undermines state regulatory authority while also jeopardizing state tax revenue. In certain states, the availability of these products also tramples on tribal sovereignty by violating gaming exclusivity agreements with those jurisdictions.

By circumventing the important regulatory protections implemented by states, these platforms also raise the prospect of considerable consumer and marketplace harms. Legal sportsbooks have regulatory



requirements covering age verification and access, Know Your Customer (KYC) and anti-money laundering (AML) protocols, self-exclusion, and integrity monitoring among many other important areas of compliance, which these contracts and current regulatory oversight by the CFTC fail to address. Moreover, a key tenet of the regulated industry's responsible gaming ethos is that sports betting is entertainment and not a means for financial gain. Casting sports contracts as an investable financial product significantly undermines that message and threatens to create marketplace confusion around this important priority. In addition to a complete lack of tools and resources devoted to responsible gaming and problem gambling, these platforms are accessible to individuals who are 18+. That is in contrast to the vast majority of state-regulated markets that have set 21 as the minimum age to bet.¹

Finally, as the CFTC notes in its announcement of this roundtable, these contracts raise significant questions regarding their interaction and compliance with other "federal laws applicable to sports betting." These platforms facilitate trading of contracts between individuals located in different states and are therefore arguably in violation of the federal Wire Act.² Moreover, under current federal law all sports wagers are subject to an excise tax.³

The AGA appreciates your consideration of our comments and request to participate in the roundtable.

Sincerely,

A handwritten signature in black ink, reading "Christopher Cylke".

Christopher Cylke
SVP, Government Relations

Cc: PublicRoundtables@cftc.gov

¹ Legal States 21+: AZ, AR, CO, CT, DE, FL, IL, IN, IA, KS, LA, ME, MD, MA, MI, MS, MO, NE, NJ, NM, NY, NC, ND, OH, OR, PA, SD, TN, VT, VA, WA, WV, WI, WY; 18 +: KY, MT, NH, RI, DC

² 18 U.S.C. § 1084

³ Internal Revenue Code § 4401