



January 18, 2021

**Via Electronic Submission**

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

**Re: Commodity Futures Trading Commission Rule 40.11  
Review of Proposed RSBIX NFL Futures Contracts (Industry Filing 20-004)**

Dear Mr. Kirkpatrick:

We write on behalf of the Casino Association of New Jersey (“CANJ”) in response to the request by the U.S. Commodity Futures Trading Commission (Commission) for responses to several questions concerning the trading of sports wagering future contracts among licensed gaming operators. The CANJ is supportive of the introduction of these contracts and believes they will be of substantial benefit to the sports and licensed sports-betting industries.

We understand that the specific proposal giving rise to the Commission’s questions was filed by Eris Exchange, LLC (“ErisX”). However, this comment is submitted to assess, in general, the functionality of a futures contract exchange and its impact on the integrity of sporting events and not the specific proposal of ErisX. We submit this comment to respond to question #5 of the Commission’s question list:

*Could the trading of these contracts that involve sports gaming create incentives to influence the outcome of a sporting event or other outcomes related to sporting events? What mechanisms would be available to the Commission or to the DCM to surveil for, and guard against, manipulation of these contracts through manipulation of sporting events or other outcomes related to sporting events?*

CANJ does **not** believe that the trading of futures contracts should create incentives for the manipulation of sporting event outcomes. There is already in place a robust set of mechanisms to prevent such manipulation. The advent of lawful, licensed sports betting throughout much of the country has led to an increase in resources and attention devoted to these efforts. A national futures market of the type contemplated here should neither add to the incentive for unlawful activity nor make it more difficult to detect or to prevent.

More particularly, as we understand them, the contracts will be available only to licensed sports books and certain sports industry participants, not to individual consumers. Hence, the existence of the market should not add in any way to any “incentive” to fix or otherwise to undermine the integrity of sporting



events. In addition, the parties to the contracts themselves should have no motivation to attempt to influence event outcomes. It is expected that the principal participants – the sports books – would be using the contracts to hedge their underlying economic risk and therefore mitigating their interest in the actual outcome of a game/event. The purpose of the contracts is to balance out the licensed sportsbook operator’s financial positions regarding the outcomes of the sporting events, not to influence the outcomes in either direction. Finally, the sports book operators are licensed, strictly regulated and subject to substantial oversight and reporting obligations and already have in place systems and associations to help detect and guard against the manipulation of sporting event outcomes.

In sum, based on the information above, CANJ does not believe that the offering of Futures Contracts should create any additional incentives for the manipulation of sporting event outcomes or otherwise undermine the integrity of sporting events. The Futures Contracts will also serve an important economic purpose by allowing regulated sports books to better manage their economic risk and offset exposure created by unbalanced wagering on one side of a sporting event. We urge the Commission to determine that the listing of these Futures Contracts is in the public interest.

Thank you very much for the opportunity to submit these comments.

Respectfully submitted,

Steve Callender  
President  
Casino Association of New Jersey

**About the Casino Association of New Jersey**

The Casino Association of New Jersey (CANJ) is a trade organization that provides a collective voice for the Atlantic City casino industry by facilitating the exchange of information and ideas between our industry, small businesses, Atlantic City stakeholders and the general public. The CANJ consistently advocates for legislation and initiatives that support the ongoing revitalization of Atlantic City into a world-class destination resort. A thriving casino industry drives economic growth, job creation, increased tax revenue for state and local budgets, and prosperity for city residents, hardworking families and businesses which rely on the casinos for their livelihood. Our goals are simple: protect and grow the tens of thousands of jobs the casino industry supports across New Jersey and continue Atlantic City’s transformation into a world-class destination resort. For additional information, please visit [www.casinosnj.org](http://www.casinosnj.org).