Comment Text:

Dear Commissioners of the CFTC,

My name is Rohan Pavuluri, and I am the Chair and Co-founder of Upsolve, a nonprofit dedicated to helping low-income families access their legal rights. I write to express my own views on the Kalshi political control contracts.

Consider the case of a nonprofit organization that wants to determine what kinds of programs it should establish. Naturally, they are very affected by federal policy. An education nonprofit, for example, may be heavily influenced by national policy on Title I grants, programs to benefit teachers, tax deductions for teacher expenses, school funding, etc. A nonprofit for helping the elderly will be heavily affected by various policies relating to healthcare, eldercare, taxes, real estate, Medicare, and Social Security. At Upsolve, we must react to federal spending on anti-poverty and legal assistance programs. When deciding which programs to establish, we need to implicitly make an assessment of not just what federal policy looks like today, but also what federal policy will look like five years from now. A prediction market on elections will provide valuable information as we consider how to allocate our resources towards future social impact.

The economic consequences and public good of a federally regulated political prediction market could be vast. This is not to deny that there are no counterarguments. But they have existed for centuries as "majorities markets" in the United Kingdom and the harms have not manifested. The Commission should not eschew empirically verified benefits for hypothetical risks that are contrary to the experience of the rest of the world.