

Dear Chairman,

On Thursday, June 27 I, along with many other Americans, tuned in to watch a debate I was dreading. With both potential presidents so widely disliked, my overall outlook on the country's future as a whole and my expectations for this specific debate were extremely low. Both candidates still somehow managed to disappoint me.

One candidate lied through his teeth, wouldn't answer questions about how to solve addiction, and refused to commit to accepting election results if he lost. He put on a disgraceful show, completely disregarding the mere concept of honesty and making weird comments about "black jobs." I could never feel comfortable voting for this man.

It was the other candidate though, who stole the show and broke my heart. He struggled to complete a sentence, couldn't properly outline any cogent points, and generally looked like someone on death's door. While I happily voted for this man four years ago, I could never feel comfortable voting for him to take charge of the next four years.

I ended this debate knowing that if either of these men were to be elected in November, the country would suffer. This suffering, however, could take many different forms. There was also the chance that another candidate would come forward and completely change the set of options American citizens will face. In the face of so many unknowns and such little hope, I searched for solace.

The issue, however, was where to look for an accurate portrayal of what we, as a nation, could expect. I could ask friends and family, but, like all Americans these days, I know I live in an ideological bubble and I'm unlikely to learn anything about the nation's feelings as a whole by talking to people who are inherently very similar to me. I could turn to the media, who have the means to gather information much more widely than I can, but this is the same media that literally goes to the "spin room": a place where surrogates for the candidates are given nearly free reign to lie and obfuscate whatever happened in the debate to the American people. Pundits and anchors on the major networks aren't much better; the modern practice of "balance" often means that the talking heads on TV are effectively partisan hacks, but this practice is seen as acceptable so long as the network puts on a few hacks who are Democrats and a few who are Republicans.

I needed a source of information about our nation's future that wasn't limited to my own ideological bubble and that wasn't put forth by an entity that is incentivized to tell an interesting story or support a specific view more than it is to convey the truth. I needed a source of information where people predicting things about our future are incentivized only to be accurate because they must put their money where their mouth is.

I needed PredictIt.

On PredictIt's site, I saw the mind of the nation. I saw a President of the United States, having already secured almost every delegate from his party's nomination process, down to a 50% probability of winning his own party's nomination. The number went up and down, but it never went back up to the pre-debate number of about 85% and largely settled at about 65%, until July 2 when it again plummeted as the party started to abandon him.

I thought more about that 85% number. An incumbent President, with almost every delegate pledged to support him in his party's nomination process, was sitting (pre-debate) at under 90% in a prediction market asking if he would make it across the nomination finish line. With under two months to go, the market thought there was a real chance, about one in six, that he would flame out.

I had spent four years discounting that 15% chance, rooted in concerns about Biden's health, as a right-wing conspiracy theory. I was certain that, if he wanted it, Biden would be a shoe-in for the nomination. But had I thought about it more seriously, I might have figured out that there was a reason that the market believed in a 15% chance he wouldn't be nominated. I might have realized the excuses I had been making for him ("he has a stutter! He's just old! Those videos are selectively edited!") were indeed nothing more than excuses. The market, with its 15%, was right and I was wrong.

Since the reality check that was the debate, I will be relying more than ever on PredictIt's markets to give me information about where we, as a nation, are most likely headed. Their markets are a rare gem in that they are able to provide information that is widely sourced, and incentivized for accuracy above all else.

This is what the CFTC wants to take away from Americans.

This is what they want to deprive us of on regulated exchanges. The CFTC has been on a crusade to shut down these markets, starting in 2022 when they pulled the PredictIt NAL, then when they illegally prevented Kalshi from posting their Congressional markets, and now with this absurd rulemaking. I've read the rule, and it makes zero sense.

The rule posits that elections are gaming, and therefore deserving of a ban, because some people call them contests, and some definitions of gambling (ignoring that gambling and gaming are by no means synonyms) use the word contest. This is absurd. This logic is so tortured that it becomes painfully obvious that the CFTC just wanted to ban these markets and desperately searched for a definition that would do it. It is plainly clear that **all** securities and commodities are tied to contests in some way. Does anyone truly believe that Tesla isn't in a contest to sell more of its cars than BYD? Or that Indonesia isn't in a contest with Australia to export the most nickel? To propose that contests are gaming and should therefore be banned, would effectively ban all trading on all securities and commodities. This notion is utterly ridiculous.

The rulemaking proposal also never bothers to address the concept that "gaming" (the key word upon which they are deeming markets on elections bannable) inherently refers to a game. We

know from prior CFTC documents (mostly the Kalshi order) that the CFTC thinks some event contracts and commodities are not games because they have economic effects. To say that an election is a game (and that markets on elections are gaming) is to say that elections do not have economic effects.

This assertion is so thoroughly incorrect that the highly paid lawyers and economists at the CFTC should be ashamed to put it forward. No reasonable person would believe that elections don't have economic effects. Every single campaign speech or party platform contains multiple examples of concrete policy proposals that would have major economic impacts if implemented.

During the tragic debate on June 27, I managed to sort through some of the incoherent ramblings and learn a little bit about what the two presidential candidates stood for. Biden talked about raising taxes on the wealthy to fund medicare and social security. Trump talked about imposing tariffs on goods from China. Trump talked about extending the 2019 tax cuts. Biden talked about raising the corporate tax rate to pay for childcare and elder care. These are clearly concrete and direct economic impacts.

The Consumer Product Safety Commission, a sister agency to the CFTC, recently proposed a rule that would require table saws to have the ability to automatically retract upon contact with a finger. I'm a product engineer who regularly works with equipment like this. The cost of upgrading this equipment can run into the hundreds of dollars per device, and some companies will have hundreds or even thousands of saws. Wouldn't it be helpful if those companies could see the odds that they would have to spend potentially hundreds of thousands of dollars on new equipment, and to be able to hedge directly against that possibility? Isn't this a clear case of why knowledge about future policy decisions is important to the public interest? The CFTC cannot deny that a rule about table saws is real and affects relevant businesses. Their crusade against political event contracts demonstrates how divorced they are from how actual businesses work and interact with regulatory bodies.

Congress has outlined a two-step process for banning a contract: 1) determine that it is part of an enumerated category and 2) determine that it is against public interest. The CFTC's proposed rule completely bulldozes this process by presuming that the CFTC has the power to rule a contract as gaming and, after doing so, need not do any of the required analysis to classify it as against the public interest. This completely bastardizes Congress's process and instead allows the CFTC to make arbitrary and capricious decisions that will not withstand judicial scrutiny.

Can a room full of CFTC lawyers seriously say that not one of them has opened PredictIt to check Biden's odds since the debate? Is it not in the public interest for people to know who their next leaders will be? Will the CFTC really delegate this monumental task to the "spin room" pundits who are not incentivized to be accurate, but instead are incentivized to sell interesting stories?

If I had listened to what the market was telling me a year ago I wouldn't have been so shocked by what I saw on June 27. I would have been able to make adjustments to my future plans, maybe including my stock portfolios (which include a lot of green energy stocks that will crash if Trump wins in November) prior to the debate. The information was there, even if I wasn't ready to hear it. Markets are important. The CFTC knows that. This isn't the first time that I thought I was smarter than a market, and it isn't the first time that I was wrong. What matters is that I had a way to know that my preconceived notions were wrong. The source of unbiased information was there. It was on PredictIt.

PredictIt's markets are a valuable public service and are quite clearly in the public interest.

I'm also far from the only one who sees their value. In the recent turmoil that has followed in the wake of the June 27 debate, [The New York Times](#), [The Wall Street Journal](#), [Bloomberg](#), and [The Financial Times](#) have all written articles citing PredictIt's markets as a valuable source of unbiased information amongst the tumult.

I object to this absurd rulemaking, which will never in any case survive a judicial challenge without Chevron. This is a waste of time and the Commission should pull a 180 and support these contracts.