

I am writing to express my concerns regarding the proposed ban on election event contracts and to request clarification on several key points. While I understand the CFTC's desire to protect market integrity and public interest, I believe this proposal raises important questions that deserve thorough consideration and public discussion. To that end, I respectfully submit the following questions for the Commission's response:

1. How does the CFTC reconcile the proposed ban with its mandate to foster open, transparent, and competitive markets? Doesn't prohibiting election contracts contradict this core mission?
2. What specific evidence does the CFTC have that election contracts pose a threat to market integrity or the democratic process? Can this evidence be made public?
3. Has the CFTC conducted a comprehensive cost-benefit analysis of banning election contracts? If so, can this analysis be shared with the public?
4. How does the CFTC respond to arguments that election contracts serve legitimate economic purposes, such as hedging political risk for businesses?
5. What alternatives to an outright ban has the CFTC considered? For example, has enhanced oversight or more stringent reporting requirements been explored?
6. How does the CFTC plan to address the potential shift of election betting activity to unregulated offshore markets if these contracts are banned in the US?
7. What specific statutory authority is the CFTC relying on to justify this ban? How does the Commission interpret the limits of its authority in this area?
8. Has the CFTC consulted with academic researchers who study prediction markets? If so, how has their input been incorporated into this proposal?
9. How does the CFTC plan to define and distinguish between prohibited "election contracts" and other event contracts that may have political implications?
10. What measures will the CFTC take to ensure that banning election contracts doesn't stifle innovation in financial markets more broadly?
11. Has the CFTC considered the potential impact of this ban on market liquidity and price discovery for related financial instruments?
12. How does the CFTC respond to arguments that election contracts enhance transparency and provide valuable information to the public and policymakers?
13. What specific concerns does the CFTC have about the potential for market manipulation in election contracts, and how do these differ from concerns in other markets?
14. Has the CFTC considered allowing election contracts but with additional safeguards or restrictions? If so, what options were explored?

15. How does the CFTC plan to enforce this ban, particularly given the global nature of online prediction markets?
16. What input has the CFTC received from other regulatory agencies or elected officials regarding this proposal? Can this input be made public?
17. How does the CFTC reconcile this ban with its previous allowance of certain election-related contracts, such as those offered by PredictIt?
18. What recourse will be available for market participants who believe their contracts have been incorrectly classified as prohibited election contracts?
19. How does the CFTC plan to address potential First Amendment concerns related to restricting election-related speech and expression through these markets?
20. What ongoing review process will the CFTC implement to assess the impact and effectiveness of this ban if it is enacted?

I believe these questions are crucial for understanding the full implications of the proposed ban on election contracts. I urge the Commission to provide detailed responses to these inquiries and to engage in a transparent, public dialogue on this important issue before proceeding with any final rulemaking.

Thank you for your consideration of these questions and for your commitment to maintaining fair and efficient markets.