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April 2, 2026

Michael Selig, Chairman  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

## Re: **Comments on Proposed Rule Regarding Event Contracts and Predictive Markets**

Dear Chairman Selig:

We respectfully submit the following comment regarding the Commission's proposed rule addressing the listing and trading of event contracts in predictive markets under the Commodity Exchange Act (CEA). The Commission has authority under the CEA to prohibit contracts that are contrary to the public interest. Event contracts based on horseracing outcomes that circumvent the Interstate Horseracing Act of 1978 (the "IHA") fall squarely within this category and are furthermore preempted by other federal laws.

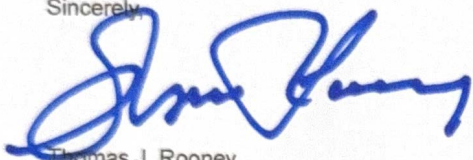
Our comment addresses a specific concern: **event contracts based on horseraces**. Such contracts constitute activity subject to the purview of the IHA. While designated contract markets ("DCM") are involved in pending litigation nationwide concerning the legality of sports wagering event contracts with mixed results, horseracing occupies a unique and materially different legal space. Historically, the federal government has treated horseracing distinct from other forms of gaming. By enacting the IHA, the Horseracing Integrity and Safety Act ("HISA"), and other statutes, Congress has shown a clear intention to comprehensively regulate horseracing. Any so-called horseracing event contracts would circumvent the statutory framework Congress established to regulate not only interstate wagering on horseracing but horseracing writ large. Barring the Congressionally mandated consents, such contracts are barred under federal law and prohibited under the Commission's authority governing event contracts.

Congress specifically enacted the IHA to comprehensively regulate the field of interstate wagering on horseracing. In doing so, the IHA preempts more general statutes, including the CEA, and governs any event contracts that may otherwise be permissible under that Act. As federal courts have consistently held, the IHA exclusively controls not just pari-mutuel wagering on horseracing, but any conceivable form of "wagering" on those races.<sup>1</sup> Horseracing event contracts fall under this purview.

The IHA only authorizes interstate wagering **when specific consent requirements are satisfied**. Under 15 U.S.C. § 3004, interstate off-track wagers may occur only with the consent of: The host racing association, the horsemen's group, the host state racing commission, and the off-track racing commission where the wager is placed. To date, no racing association or commission has provided consent for any event contract. Indeed, following this federal requirement, no DCM has offered a horserace-based event contract in the United States.

<sup>1</sup> See, e.g., *Los Angeles Turf Club v. Horse Racing Labs, LLC*, No. CV1509332SJOJEMX, 2017 WL 11634526, at \*6 (C.D. Cal. May 15, 2017); *Churchill Downs Tech. Initiatives Co. v. Michigan Gaming Control Bd.*, 767 F. Supp. 3d 556, 576 (W.D. Mich. 2025); *Horseman's Benevolent & Protective Ass'n, Inc. v. Zonak*, No. 2:07-cv-00057, 2008 WL 11453695, at \*5 (S.D. Ohio Sept. 23, 2008).

Additionally, from a public interest perspective, the horseracing industry relies heavily on regulated wagering revenue to fund racetrack operations, purses, breeding programs, and regulatory oversight. Congress designed the IHA specifically to ensure that wagering activity remains connected to the regulated racing ecosystem. If predictive markets were allowed to list contracts on horseracing outcomes without complying with the IHA's consent provisions, these markets would divert wagering activity away from authorized systems. Such an outcome would undermine the carefully balanced regulatory structure Congress established and could cause substantial economic harm to the horseracing industry.

Sincerely,  
  
Thomas J. Rooney  
President & CEO

**NATIONAL THOROUGHBRED RACING ASSOCIATION**

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