

Dear CFTC,

I'm writing to express my support of approving prediction markets for electoral outcomes, not only for Kalshi but for all other Designated Contract Markets (DCM) under the supervision of the Commodity Futures Trading Commission (CFTC). The existence of these markets are within the public interest, and I believe they should be considered distinctly from recreational gambling.

I agree with many of the comments from other academics who have submitted comments to the CFTC on this topic, particularly Profs. Tabarrok, Furman, and Zitzewitz. I wanted to add a few additional points.

My own research on this topic is about prediction markets are used as a managerial tool by leaders of companies and other large organizations. As I read Prof. Furman's letter about the use of prediction markets inside of the White House, many of the same points could be made by corporate leaders inside of Fortune 500 companies.

My work on this topic has included econometric case studies of Google, Ford Motors and a large American conglomerate in the basic materials sector (anonymized by the firm's request) published in *The Review of Economic Studies*. Other researchers have studied other companies ranging from HP to Intel. Although the traders in these markets are sometimes (although not always) limited to company employees, the companies nearly always include and consult markets on external industry events (such as election outcomes).

You may remember that in 2008, the CFTC previously sought input on new regulations regarding event contracts ([73 FR 25669](#)). A coalition of companies including Google, Yahoo! and Microsoft sought to persuade the CFTC to adopt similar rules, and representatives from Google met directly with the commission and its staff. Google's letter to the commission is [here](#) (co-signed by Yahoo!), and Microsoft wrote a separate letter concurring with Google [here](#). I view this as additional evidence that companies find economic value in these markets.

In summary, I believe the commission should permit these markets to proceed. Please let me know if you have any additional questions.

Sincerely,

*Bo Cowgill -*

Bo Cowgill  
Assistant Professor  
Columbia Business School