Transgender athletes wishing to compete in a sport that matches their internal sense of gender identity currently face a regulatory landscape that varies widely based on standards that differ according to level of competition and type of sport. Not following their sport's policy could have dire consequences for the athlete, including a complete and total ban from participation. Sport-governing bodies need to adopt fair, well-reasoned policies for the inclusion of transgender athletes in the participation of sport, not only in the spirit of equality and participation for all, but also to comply with federal and state anti-discrimination laws. The best policy is one that strives to include as many transgender participants as possible without overreacting to outdated stereotypes regarding perceived advantages in competition supposedly enjoyed by transgender athletes.