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JUL 15 2015

HOUSTON, TEXAS 77063

July 7, 2015

CC:PA:LPD:PR (REG-132634-14), Room 5203

Internal Revenue Service

Department of the Treasury

P. O. Box 7604, Ben Franklin Station

Washington, D.C. 20044

Dear Sir / Madam:

We are responding to the request of the Internal Revenue Service ("IRS") for comments concerning the issuance of proposed regulations which would treat processing of natural gas liquids into ethylene as not qualifying income under Internal Revenue Code ("IRC") Sec. 7704(d)(1)(E).

My wife and I, both senior citizens, are investors in both Westlake Chemical Corporation ("WLK") and Westlake Chemical Partners, L.P. ("WLKP"). We, in good faith and with reliance on your holding in IRS PLR-117587-12 ("PLR"), the facts of which were specific to WLKP, made a significant investment of cash in these two entities. We would not have made the investment in WLKP if any doubt existed that the holding in the PLR would be subject to change. Now, however, we are notified that the IRS has decided in an arbitrary and capricious manner to change direction 180 degrees. The proposed regulations issued on May 5, 2015 now state that the processing of natural gas liquids into ethylene is not qualifying income within the meaning of IRC Sec. 7704. This change has the effect of preventing WLKP from qualifying as a Publicly Traded Partnership. As a result, our investments in WLP and WLKP have lost one-third of their combined economic value.

The clear meaning of the IRC Sec. 7704(d) statutory language is that the processing of natural gas liquids is "qualifying income" no more and no less than the processing of oil

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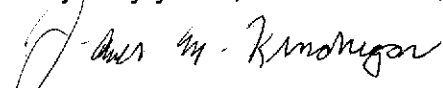
which the IRS has opined on as being "qualifying income". This inconsistent interpretation is a manifestly unfair and a wrong result based not only on a clear reading of the statutory language but also because you previously issued a ruling stating that the processing of natural gas liquids met the requirement of the statute.

We are writing to request that you change the proposed regulations to be consistent with the PLR upon which WLK, WLKP, and we relied upon for our investment. The about face of the IRS has led to a diminution in value of one-third of our investment which is no small detriment to our retirement savings.

Failing the IRS reverting back to its PLR position, the proposed regulations under Sec. 7704 provide for a ten year grace period commencing after the proposed regulations are finalized during which WLKP can still avail itself of the holding in the PLR. The public equity markets have understandably spoken on the inadequacy of this supposed relief provision by cutting the combined shareholder value of WLK and WLKP by one-third. The ten year grace period is inadequate consideration in this instance. The only way to adequately compensate the WLK and WLKP investors is to eliminate the uncertainty in the equity markets. Thus, absent a complete IRS reversal, to ensure that WLK, WLKP, and their owners suffer no financial harm and are treated equitably is for the IRS to grandfather WLKP by honoring the PLR and then apply the government's new position only on a prospective basis.

We trust that the above comments are sufficiently straightforward and that you will give them careful consideration. Please call the undersigned if you have questions or if we might be of further assistance.

Very truly yours,



James M. Kendrigan

CC: The Honorable John Cornyn

The Honorable Ted Cruz