

As a member of the WLKP Partnership, I believe that the IRS was correct in providing a favorable PLR as a basis for and in advance of WLKP's initial public offering (which was completed on August 4, 2014). That PLR concluded that the Partnership's activities generate "qualifying income" within the meaning of the Code. The IRS' new Proposed Regulations, announced on May 5, 2015, however, would reverse the PLR. This reversal is unfair to both WLKP investors like myself who purchased units in reliance on the favorable PLR, as well as shareholders (like myself) of WLK, who have also seen the value of their investment adversely impacted as a result of the publication of the Proposed Regulations.

I support WLKP's view that the PLR was consistent with the "plain meaning" of the Code: that natural gas liquids are clearly natural resources and that the processing of natural gas liquids into ethylene constitutes the "processing" and/or "refining" of a natural resource. Further, the Proposed Regulations result in unequal treatment between oil refineries, whose ethylene production would generate qualifying income, and natural gas processors, whose ethylene production would not.