As an individual investor I welcome the opportunity to provide comments on the recently proposed regulation (REG -132634-14) addressing the scope of activities related to natural resources that produce qualifying income under Section 7704 of the IRS code.

I invested in Westlake Chemical Partners LP (WLKP) through participation in its IPO on August 4, 2014. The bedrock of my investment thesis was WLKP's ability to operate as a master limited partnership (MLP). I relied on the private letter ruling (PLR) issued by the IRS prior to its IPO that concluded that income from processing natural gas liquids, a natural resource, to derive ethylene, also a natural resource would be considered qualifying income for purposes of it being treated as a publicly traded partnership. This belief and understanding was absolutely essential to my investment decision when I invested in WLKP.

Reading through your proposed regulations I was shocked to see that a company that processes ethane or propane and simply passes it through a steam cracker to make ethylene and other products does not generate qualifying income yet a refinery that performs essentially the same process other natural resources through a catalytic cracker which produces the very same products does generate qualifying income defies logic and reason. Congress clearly understood this in 1987 and that is clear from their explicit use of the words "processing "and "refining" in the statute. The processes used by a steam cracker and refinery are essentially the same process yet your proposed regulations would have similarly situated tax payers being treated differently; that is unfair. The plain reading of the statute lists both "refining" and "processing" as activities that give rise to qualifying income. These proposed regulations restrict the definition of refining and basically write out of the statute the "processing" qualification. How can the IRS simply ignore the plain reading in the statute of the word "processing"?

The IRS and Treasury should not simply change prior ruling decisions that have been relied upon extensively in capital market transactions without explaining how the statute support the new interpretation of the law. Taking a completely different view of how unchanged law should apply to unchanged facts creates uncertainly in the U.S. tax system and causes distrust by investors in the IRS and Treasury. How can any investor rely on tax statutes, historical precedent much less private letter rulings from the IRS when all of this can inexplicability change when I'm making a long term investment decision?

The proposed 10-year grandfathering period is not sufficient for investors who relied on prior IRS rulings or ruling practices. Investors like me seek investment vehicles that provide stable, predictable long term cash flows that go way beyond the 10 year period offered. These structures are designed for very long term investors and a 10 years period is far too short. I believe a fair reading of the statute should dictate the regulations that surround MLP qualifying income. Fairness should also dictate that Treasury and the IRS should permanently grandfather those who issued securities to investors which relied on the tax statutes, historical precedent and the PLR from the IRS if these proposed regulation remain instead.

Respectively,

A WLKP Investor