



SunCoke Energy™

October 6, 2015

Submitted via Federal eRulemaking Portal

CC:PA:LPD:PR (REG-132634-14)

Room 5205

Internal Revenue Service

P.O. Box 7604

Ben Franklin Station

Washington, D.C. 20044

Re: Hearing on Proposed Regulations: Qualifying Income from Activities of Publicly Traded Partnerships with Respect to Minerals or Natural Resources (RIN 1545-BM43) – Outline of Topics to be Covered

In accordance with the notice of public hearing on proposed rulemaking in the above-captioned matter, SunCoke Energy Partners, L.P. (“SunCoke”) and SunCoke Energy, Inc. are writing to confirm our intent to provide oral comments at the October 27 hearing.

SunCoke’s oral comments will focus principally on the uncertainties created by the proposed regulations in the definition of “processing or refining” as applied to ores and minerals.

Fay West, Chief Financial Officer, and John Quanci, Vice President of Engineering and Technology, will present SunCoke’s oral comments. An outline of the topics to be covered and the time expected to be devoted to each topic follows:

- Coke is simply a purer form of coal. The cokemaking process eliminates impurities in crushed coal (a partially processed mineral) by separating and expelling volatile matter. We strongly believe that the cokemaking process meets the definition of “refining,” which is a qualifying activity under the proposed regulations. However, other aspects of the definition of “processing or refining” in the proposed regulations have created market uncertainty. This uncertainty has had a substantial negative effect on the market price for SunCoke’s units, affecting our ability to raise capital. The changes we propose in our comment letter would eliminate these uncertainties. *(2 minutes)*
- The proposed regulations define processing of ores and minerals to mean mining processes, ignoring longstanding definitions in the Code and existing Treasury Regulations. The proposed regulations omit nonmining processes that purify ores and minerals from the definition of “processing or refining.” Further, the omission of nonmining processes from the definition of “processing or refining” appears to create a nonqualifying gap for mineral processing between qualifying mining activities and



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qualifying refining activities, which cannot have been intended. The final regulations should clarify that nonmining processes that eliminate impurities from ores and minerals (including cokemaking) are qualifying activities. (3 minutes)

- Eliminating impurities in ores and minerals inherently involves physical and chemical changes. We believe that under the proposed regulations as written, this limitation does not apply to activities that qualify as refining. However, the proposed regulations should clarify that no limitation for activities that result in a substantial physical or chemical change applies to activities that eliminate impurities from ores and minerals. (5 minutes)

Thank you for the opportunity to present oral comments on the proposed regulations.

Sincerely,

SunCoke Energy Partners, L.P.

Fay West, Chief Financial Officer of General Partner

SunCoke Energy, Inc.

Fay West, Chief Financial Officer