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Mr. Michael S. Piwowar, Acting Chairman
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-0213

March 6, 2017

Reconsideration of Conflict Minerals Rule Implementation

Dear Mr. Piwowar:

Kimball Electronics, Inc. appreciates the opportunity to comment on the Securities and Exchange Commission's reconsideration of the 2014 guidance on the conflict minerals rule.

Kimball Electronics is a global contract electronic manufacturing services ("EMS") company that specializes in producing durable electronic components for the automotive, medical, industrial, and public safety markets.

While we certainly support the relief granted in 2014 to not require companies to specifically brand their products as "DRC conflict free," "not found to be DRC conflict free," or "DRC conflict undeterminable," we agree the rule is misguided and respectfully request a complete repeal of the rule with no replacement.

The rule unfairly burdens U.S. public companies to expend a significant amount of resources and funds in an attempt to try to drive behavior change in armed groups half way around the globe. This burden puts U.S. public companies at a competitive disadvantage when competing for business with private companies and non U.S. companies that are not obligated to meet this compliance requirement and incur the directly associated increase in cost structure. The role of the SEC is to protect investors; we do not see how this rule will protect our investors. In fact, we believe it has a negative impact on our investors by redirecting the company's resources and funds away from initiatives that we can influence and can drive a return on their investment. Furthermore, we have neither received an inquiry about our conflict minerals policy nor has concern been expressed that our products may contain a conflict mineral from an investor, potential investor, or an end user of the components we produce. Finally, we believe that policies such as this set a dangerous precedent by imposing upon private enterprise economic rules which are in essence driving international public policy objectives. Those objectives are better achieved with direct political actions such as diplomacy, economic sanctions and the like.

We do not purchase conflict minerals directly from mines, smelters, or refiners. We must therefore rely on our suppliers to provide information regarding the origin of the conflict minerals that are included in our covered products. Our supply chain has many layers consisting of distributors, private companies, global companies, small companies, and suppliers that we are specifically directed to use by some of our customers. Many of these suppliers are not directly required to comply with the rule; therefore, the information provided in many cases is incomplete, is inaccurate, does not go all the way back to the smelter or mine, and is subject to additional and continual auditing and verification. As a result, despite the significant additional resources, systems, and processes deployed to identify the origin of conflict minerals contained in the components that go into the products we produce, we are still unable to determine with certainty all the facilities used that are sources of these conflict minerals.

Many of the components we utilize in our products that contain a conflict mineral only contain a trace amount of the mineral. There is no de minimis limit in the rule so the slightest amount of a conflict mineral that may be contained in a product actually drives a disproportionate amount of activity and costs as it is even more difficult to determine where and when this trace amount of the mineral was added to the component.

We respectfully request the Commission to consider a complete repeal of the Conflict Minerals rule with no replacement. Absent of a complete repeal of the rule, the Commission should consider limiting the rule to entities that directly use or add the conflict minerals in their production process, their direct suppliers (the first layer in the supply chain), or the individual mines, smelters, or refiners.

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions the staff may have. Please do not hesitate to contact John Kahle, Vice President, General Counsel, Secretary, and Chief Compliance Officer or Mike Sergesketter, Vice President and Chief Financial Officer at (812) 634-4000 regarding our submission.

Respectfully yours,

Kimball Electronics, Inc.