Kimball International

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April 10, 2006

Nancy M. Morris, Secretary
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

SUBMITTED VIA EMAIL

Regarding: Executive Compensation Related Party Disclosure -- File # S7-03-06

Dear Ms. Morris:

Please let this letter serve as Kimball International's response to the SEC's request for comment in Release 33-8655.

As a publicly traded manufacturing company, we have two overriding concerns with the concepts as reflected in the proposed rule. These concerns reflect an overall belief that while the concept of full disclosure of executive compensation in order to allow investors to make informed decisions has some merit, the details of the proposed rules may in fact be more misleading than the current disclosure rules in these respects:

1) All of the additional data required by the proposed rule takes an approach of looking at anything that could possibly be counted as compensation and then putting it into one large lump sum number, leading the investor to believe this is a total amount of current compensation received by the executives. In fact, the proposed rules mix three very important and distinct types of "compensation":

    a. Current Compensation (amounts actually paid in the current year to an executive);
    b. "Opportunities/Targets/Contingent" Compensation (whatever label is used, this represents compensation that could potentially be realized by the executive, but is not a certainty that it will be received);
    c. Post Employment Compensation (compensation which is contingent on post-employment events).

    As a practical matter, Compensation Committees and executives look at these arrangements and amounts very differently.

2) Discussions regarding deferred compensation arrangements should clearly distinguish between amounts or obligations that are contributed by the company, and amounts which are related to personal contributions of the executive. In addition, in many cases significant values in these accounts are driven not only by the executive's personal contribution, but by their individual decisions on investment of the Funds.

Overall, the purpose of any changes in the rules should be to allow investors to better be able to ASCERTAIN THE OBLIGATIONS OF THE COMPANY to an executive to better determine the cost of the compensation. This cost can then be related to stock performance. However, the current proposals do not make important distinctions and would be misleading investors into thinking that the obligation of the company to an executive is much larger, in present value, that is in fact the case.

We appreciate the opportunity to submit these comments. Please contact us if you need additional information.

Sincerely,

KIMBALL INTERNATIONAL, INC.

James C. Thyen
President
Chief Executive Officer

JCT/rw