(i) When based on total cost neither the normal use allowance nor depreciation will apply—
(A) During the special use allowance period; and
(B) After the educational institution has recovered the total construction or acquisition cost from the Government or other users.
(ii) When based on partial cost, normal use allowance and depreciation—
(A) Apply to the balance of costs during the special use allowance period to the extent negotiated in the special use allowance agreement; and
(B) Do not apply after the special use allowance period, except for normal use allowance applied to the balance.
(3) During the special use allowance period, the research facility—
(i) Shall be available for Government research use on a priority basis over nongovernment use; and
(ii) Cannot be put to any significant use other than that which justified the special use allowance, unless the head of the contracting activity, who approved the special use allowance, consents.
(4) The Government will pay only an allocable share of the special use allowance when the institution makes any substantial use of the research facility for parties other than the Government during the period when the special use allowance is in effect.
(5) In no event shall the institution be paid more than the acquisition costs.

\[56 FR 36416, July 31, 1991, as amended at 60 FR 29600, June 5, 1995\]

235.017 Federally Funded Research and Development Centers.

(a) Policy. (2) No DoD fiscal year 1992 or later funds may be obligated or expended to finance activities of a DoD Federally Funded Research and Development Center (FFRDC) if a member of its board of directors or trustees simultaneously serves on the board of directors or trustees of a profit-making company under contract to DoD, unless the FFRDC has a DoD-approved conflict of interest policy for its members (section 8107 of Pub. L. 102–172 and similar sections in subsequent Defense appropriations acts).

\[58 FR 28471, May 13, 1993\]

235.017–1 Sponsoring agreements.

(c)(4) DoD-sponsoring FFRDCs that function primarily as research laboratories (CSI Laboratory operated by the Institute for Defense Analysis, Lincoln Laboratory operated by Massachusetts Institute of Technology, and Software Engineering Institute operated by Carnegie Mellon) may respond to solicitations and announcements for programs which promote research, development, demonstration, or transfer of technology (Section 217, Public Law 103–337).

\[60 FR 61598, Nov. 30, 1995, as amended at 69 FR 65092, Nov. 10, 2004\]

235.070 Indemnification against unusually hazardous risks.

235.070–1 Indemnification under research and development contracts.

(a) Under 10 U.S.C. 2354, and if authorized by the Secretary concerned, contracts for research and/or development may provide for indemnification of the contractor or subcontractors for—
(1) Claims by third persons (including employees) for death, bodily injury, or loss of or damage to property; and
(2) Loss of or damage to the contractor’s property to the extent that the liability, loss, or damage—
(i) Results from a risk that the contract defines as “unusually hazardous;”
(ii) Arises from the direct performance of the contract; and