



**REQUEST FOR PROPOSALS:
January 11, 2016**

**PERIOD OF PROPOSAL SUBMISSION ENDS:
January 29, 2016**

ABOUT PROPOSALS. The U.S.-China Economic and Security Review Commission (hereafter “the Commission”) invites submission of proposals to provide a one-time unclassified report on Chinese investment in the U.S. aviation sector.

ABOUT THE COMMISSION. The Commission was established by Congress in 2000 to monitor and report to Congress on the economic and national security dimensions of the United States’ trade and economic ties with the People’s Republic of China. Further details about the Commission are available on its website at: www.uscc.gov.

The Commission solicits this research pursuant to its Congressional mandate (contained in P.L. 113-291, Section 1259B), which states, “The Commission...shall investigate and report ... on...”

“(B) The qualitative and quantitative nature of the transfer of United States production activities to the People’s Republic of China, including the relocation of manufacturing, advanced technology and intellectual property, and research and development facilities, the impact of such transfers on the national security of the United States (including the dependence of the national security industrial base of the United States on imports from China), the economic security of the United States, and employment in the United States, and the adequacy of United States export control laws in relation to the People’s Republic of China.”

“(D) Foreign investment ...by the People’s Republic of China in the United States, including an assessment of its economic and security implications, [and] the challenges to market access confronting potential United States investment in the People’s Republic of China...”

“(E) The military plans, strategy and doctrine of the People’s Republic of China ... the interaction between the civilian and military leadership in the People’s Republic of China ... force modernization objectives and trends for the People’s Republic of China military, and the implications of such objectives and trends for the national security of the United States.”

“(I) The compliance of the People’s Republic of China with its commitments to the World Trade Organization, other multilateral commitments, bilateral agreements signed with the United States, commitments made to bilateral science and

technology programs, and any other commitments and agreements strategic to the United States (including agreements on intellectual property rights and prison labor imports), and United States enforcement policies with respect to such agreements.”

The report’s key research requirements are:

1. What are the projections from Chinese and international sources on the demand for aviation products in China in the short-, medium-, and long-term? What is the current breakdown of suppliers to the Chinese market for aviation products (built up units such as wide body, single aisle, regional, turboprop, helicopters and other platforms as well as component products)?
2. Assess the current state of China’s domestic commercial and general aviation sector across every stage of research, design, and production. What are the Chinese government’s policies for promoting the domestic development and production of commercial and general aircraft? Can these policies be carried out relying only on Chinese domestic technologies? What is the role of foreign firms in the development of China’s aviation manufacturing industry? What are the policies of the Chinese government toward foreign companies? What are the means by which the Chinese government encourages aviation technology transfers, and what are the implications for jobs and manufacturing capacity in the U.S. aerospace industry? What are the implications of Chinese domestic aviation sector development for U.S. global competitiveness?
3. Assess Chinese investment in the U.S. aviation sector, including through mergers and acquisitions (M&As), joint ventures (JVs), and other cooperative activities. Which sectors or industries have been the target of Chinese investment (e.g., research and design, engines, avionics, materials, etc.)? How are these investments contributing to the development of China’s domestic aviation industry? What has been the impact on technology transfers? Is there evidence that Chinese companies have been using M&As or JVs as a mechanism for evading U.S. export controls? Have acquisitions of U.S. commercial and general aviation technology (including through M&As and JVs) contributed either directly or indirectly to China’s military capabilities and, if so, how? What relationships have Chinese firms, research institutes, or universities developed with U.S. universities in the aviation area, if any?

The report should include an **executive summary** of the report’s key findings; a **brief overview of the sources and analytic methodology used for the report**; and a **brief explanation of the scope and limitations of the report**.

Additional Requirements:

1. Prior to the award of any contract, the contractor must be registered in the federal System for Award Management (SAM).

2. Once the Commission selects a contractor for this project, and a contract is signed, public notice of this will be made on the Commission's website.
3. The Commission's goal is to have a report prepared for review in a timely fashion. In ordinary circumstances, once the Commission selects a contractor and a contract is signed, a draft report must be submitted to the Commission for review no later than 120 days from the date the contract is signed. The Commission will then endeavor to provide comments and requests for adjustments within 30 days; subsequently, the final report must be submitted within 30 days of formal receipt of the Commission's comments. The Commission recognizes, under certain circumstances, a contractor may wish to have more time to prepare the first draft of the report under the contract. The contractor, in their contract proposal, should stipulate the time frame for submission of the draft report. It is to be understood; however, that time is of the essence in completing research contracts for the Commission.
4. As work on the report progresses, the Commission's Research Director shall act as the Commission's representative in monitoring the progress, quality, and responsiveness of the report to the major issues of concern identified in this Request for Proposals (RFP). The Research Director shall, on request to the contractor, be entitled to informal briefings on the status of the research work and to readings of the draft in progress.
5. The report shall be free of typographical errors and conform to the Chicago Manual of Style. Upon receipt of all drafts, the Commission will inspect the document for typographical errors and deviations from the Chicago Manual of Style guidelines. At the discretion of the Commission, if a draft contains excessive deficiencies, the Commission will return the draft to the contractor and request the contractor cure the draft of deficiencies within five (5) working days (not counting weekends and Federal holidays). Upon resubmission of the draft by the contractor to the Commission, should deficiencies remain, the Commission, at its discretion, will submit the draft to its copyeditor for correction, the cost of which (\$43.98 per hour) will be deducted from the final cost of the contract. The contract shall be subject to termination if the Commission deems that the work is of unsatisfactory quality.
6. At the Commission's discretion, the report procured via this RFP may be posted on the Commission's website.
7. Each organization or individual responding to this request must warrant they will perform this work solely for the Commission, and the resulting report will not be shared with other parties without the prior written consent of the Commission.
8. The Commission expects contractors to identify all personnel working on the contract, and that there will not be any delegation of responsibilities to other parties without prior written approval of the Commission.

9. After completion of the report, the Commission staff, in consultation with the contractor, will prepare a short summary of the research for posting on the Commission's website and other media. The Commission staff shall consult with the contractor in preparing said document.
10. At the discretion and request of the Commission, the contractor shall agree to participate in up to four (4) separate briefings, and up to one (1) public hearing, held by the Commission, of up to two (2) hours each in the Washington, DC area, supported by at least one (1) individual affiliated with the contractor identified as "key personnel." This could include, but not necessarily be limited to, briefing the content of the research to Commissioners and Commission staff, appearing as witnesses at a public hearing held by the Commission, and briefing the content of the research to Members of Congress and/or their staff. No additional remuneration will be provided to the contractor for these briefings or a hearing. The Commission will make a good faith effort to schedule briefings and a hearing at times that are subject to mutual agreement.

Primary Selection Criteria:

1. The Commission will determine which organization or individual responding to this request will be awarded the contract based on a comprehensive "best value" analysis of the proposals received, to include costs, technical value, and ability to complete the work satisfactorily and on time, and past performance with the Commission, if applicable.
2. The primary weighting criterion in selection shall be the assessed qualifications and ability of an organization or individual to address the fundamental research points enunciated above ("key research requirements").
3. The cost and amount of time necessary to complete the report will also be considered as criteria in the selection process.

Proposal submissions should include:

1. A statement of the applicant's relevant qualifications to satisfy the terms of this RFP, to include curricula vitae for personnel intended for work on the project.
2. Identification of the principal researchers who will be responsible for the preparation of the report. It is understood that the designation of the researchers is a critical element of the proposal, and any changes regarding which individuals will be involved in the report's preparation must be approved by the Commission in advance and in writing.
3. A description of the research methodology the applicant proposes to employ. In describing methodology, the submission should provide detailed descriptions of the

sources and methods that will be used to research the report's topic and the extent to which Chinese language sources, if any, and other primary materials will be used.

4. A list of any entities for whom you have conducted research or provided consulting services in the past. The Commission understands you may be limited in providing such information by confidentiality agreements.
5. An estimate of the time the applicant will need to complete the required work.
6. The price the applicant will charge to the Commission to complete the work set forth in this RFP.

Organizations and individuals wishing to submit a proposal in response to this RFP must ensure that the response arrives at the location noted below by **5:30PM (EST) on January 29, 2016**, or it will not be accepted or considered.

Electronic submissions are acceptable.

Proposals, as well as inquiries or any other correspondence related to this matter, should be directed to:

Katherine Koleski
Research Director
U.S.-China Economic and Security Review Commission
Hall of the States, Suite 602
444 North Capitol Street NW
Washington, DC 20001
phone: 202-624-1482
e-mail: kkoleski@uscc.gov