



**REQUEST FOR PROPOSALS:
March 5, 2021**

**PERIOD OF PROPOSAL SUBMISSION ENDS:
March 26, 2021**

ABOUT PROPOSALS. The U.S.-China Economic and Security Review Commission (hereafter “the Commission”) invites submission of proposals to provide a concise, one-time unclassified report on China’s industrial overcapacity.

ABOUT THE COMMISSION. The Commission was established by Congress in 2000 to monitor and report to Congress on the national security implications of the bilateral trade and economic relationship between the United States and 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.

“(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....”

This report’s key research requirements are:

1. **Outline China’s industrial overcapacity on a sectoral basis.** Clearly define overcapacity, excluding instances where market fluctuations result in short-term excess supply. Defend this definition as comprehensive in the Chinese case and briefly describe

its limitations. Then provide an analysis of current industrial overcapacity in key sectors beyond coal and building materials such as cement, steel, aluminum, and plate glass. Address the evolution of overcapacity in these sectors since 2000, or, where relevant, from when production capacity reached a sufficient volume to determine market and policy trends. The analysis should provide comparable quantitative information for each sector, including graphics and trend lines.

The proposal should include a list of sectors the offeror will cover and an explanation of their significance, as well as the data sources the offeror intends to use to evaluate overcapacity in each sector, and indicators of overcapacity the offeror proposes to include in the report. Additionally, the offeror should indicate the starting date from which they propose to examine overcapacity in each sector. As noted, this project should not address building materials or coal, which have been covered extensively.

2. **Evaluate how current and recent economic policies, including incentives, are contributing to overcapacity.** Identify key Chinese government policies that are contributing to China's overcapacity and describe how their implementation has fueled overcapacity in specific sectors. Do these policies impact sectors other than the ones targeted? To clarify the difference from policy-induced chronic versus temporary overcapacity arising from market fluctuations, provide a concise example of the latter in a Chinese context. What policies has China's government released to combat overcapacity, and how effective have they been? How do other political considerations, such as maintaining economic growth and stable employ, undermine their efficacy? Detail their limitations in scope and implementation.

The proposal should identify major Chinese government policies the offeror proposes to cover in response to this research requirement.

3. **Describe China's structural overcapacity.** What features of China's economy promote long-term overcapacity, including residual effects from older policies (e.g., prior to 2017)? Do these features have impacts across sectors, including spilling over from one sector to another? Include in the description related impacts, such as oversupply and deflation. To what extent is chronic overcapacity self-perpetuating? Through a case study, examine how overcapacity has perpetuated distortions that affect other aspects of China's economy.

The proposal should briefly outline features of China's economy that promote overcapacity. It should also include recommendations for the case study, with an explanation of its importance. A case study might demonstrate how excess supply distorts prices in other segments of a production chain or how under-utilized capacity exacerbates deflationary pressures, just as examples.

4. **Assess the global impact of China's industrial overcapacity.** In what sectors are Chinese firms exporting overcapacity, and what business, policy, and other factors are driving this? Distinguish external versus internal factors driving overcapacity. Where has China's government provided support for Chinese firms to export overcapacity, and what policy tools does the Chinese government use to do this? Compare China's export of overcapacity in finished goods versus intermediary products and raw materials. How do other economies absorb and possibly reexport China's overcapacity,

particularly East Asian neighbors closely integrated with Chinese supply chains? *The proposal should indicate which sectors the offeror proposes to cover in response to this research requirement.*

- 5. Assess the impact of China’s industrial overcapacity on U.S. producers.** In what sectors has China’s overcapacity most harmed U.S. producers, and what sectors should U.S. producers be most concerned about going forward? What indicators could help U.S. policymakers in providing an early warning signal of developing overcapacity within a new sector in China’s economy or otherwise responding to threats to U.S. producers? In addressing the question, consider not only the U.S. domestic market, but also competition with Chinese exporters in third country markets. Provide a case study demonstrating the ultimate impact to U.S. producers, using one of the sectors detailed in Key Research Requirement 1.

The proposal should indicate which sectors the offeror proposes to cover in response to this research requirement. It should also include recommendations for the case study, with an explanation of its importance.

The report should include an **executive summary** of key findings that identifies trends and important drivers of overcapacity, as well as potential “hotspots” of interest to U.S. policymakers. The report should also include a list of **recommendations for Congress**; a **brief overview of the sources and analytic methodology used for the report**; and a **brief explanation of the limitations of the report, if any**.

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 may 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 —not to exceed 60 pages of text— must be submitted to the Commission for review no later than 60 calendar days from the date the contract is signed. The Commission will then endeavor to provide comments and requests for adjustments within 20 days; subsequently, the final report must be submitted within 20 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 Coordinator 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 Coordinator shall, on request to the contractor, be entitled to informal briefings on the status of the research work and to readings of the outline and 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 (\$41.00 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. At the discretion and request of the Commission, the contractor shall, within a year after publication of the report, agree to participate in up for two (2) 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.
4. The Commission is a Legislative Branch agency not subject to the Federal Acquisition Regulation (FAR).

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. The applicant’s responses to FAR 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (October 2020) available at: https://www.acquisition.gov/far/52.204-24#FAR_52_204_24 and to FAR 52.204-26, Covered Telecommunications Equipment or Services—Representation (October 2020) available at: https://www.acquisition.gov/far/52.204-26#FAR_52_204_26.
6. An estimate of the time the applicant will need to complete the required work.
7. The price the applicant will charge to the Commission to complete the work set forth in this RFP.
8. The proposal shall not exceed seven (7) pages and may be shorter.

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 **5:30 p.m. (ET) on March 26, 2021**, or it will not be accepted or considered.

Electronic submissions are acceptable. Email attachments should not exceed 5 MB.

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

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