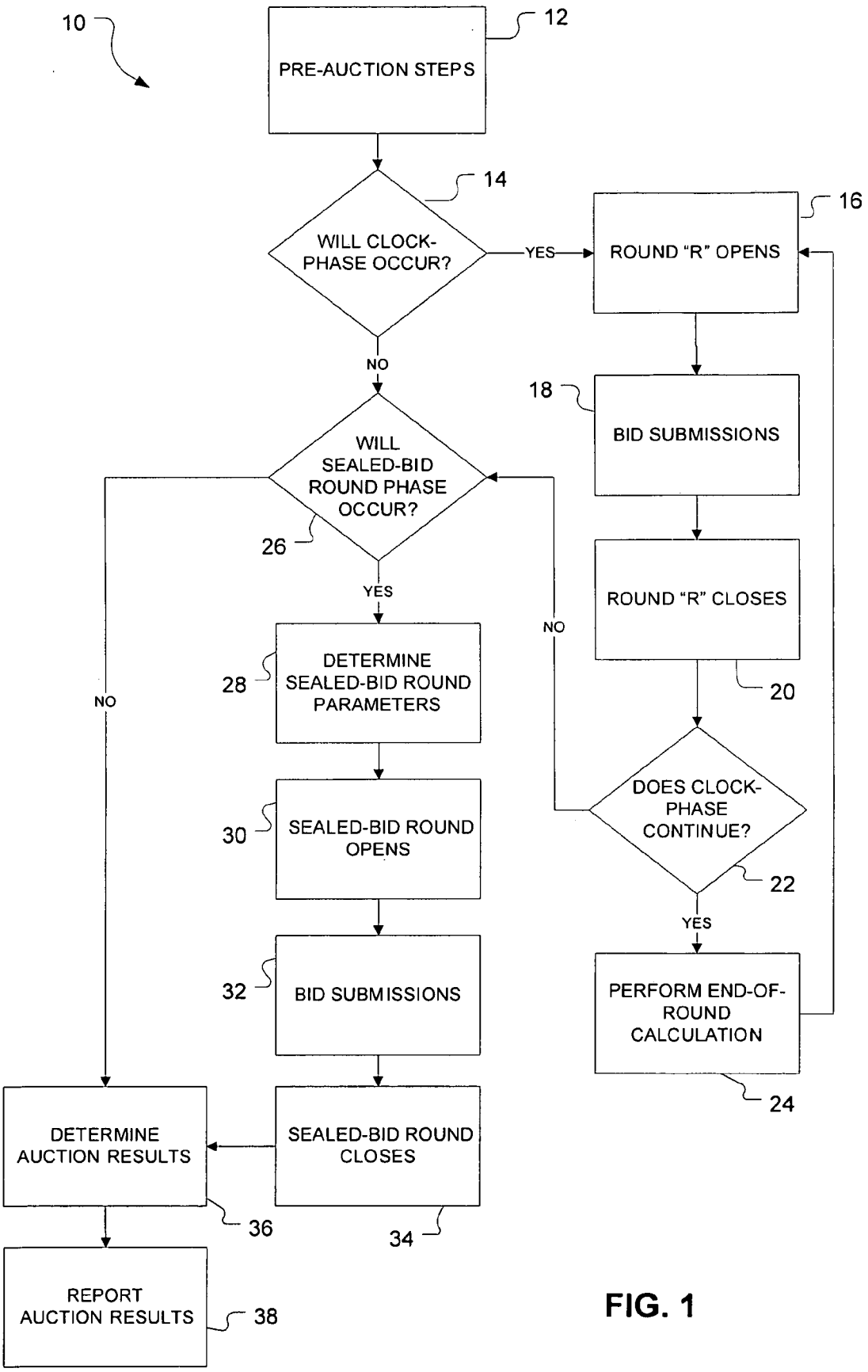

10
PRE-AUCTION STEPS
12
WILL CLOCK-PHASE OCCUR?
14
YES
ROUND "R" OPENS
16
NO
BID SUBMISSIONS
18
WILL SEALED-BID ROUND PHASE OCCUR?
26
YES
NO
NO
ROUND "R" CLOSES
20
DETERMINE SEALED-BID ROUND PARAMETERS
28
DOES CLOCK-PHASE CONTINUE?
22
SEALED-BID ROUND OPENS
30
YES
BID SUBMISSIONS
32
PERFORM END-OF-ROUND CALCULATION
24
DETERMINE AUCTION RESULTS
SEALED-BID ROUND CLOSES
36
34
REPORT AUCTION RESULTS
38

FIG. 1

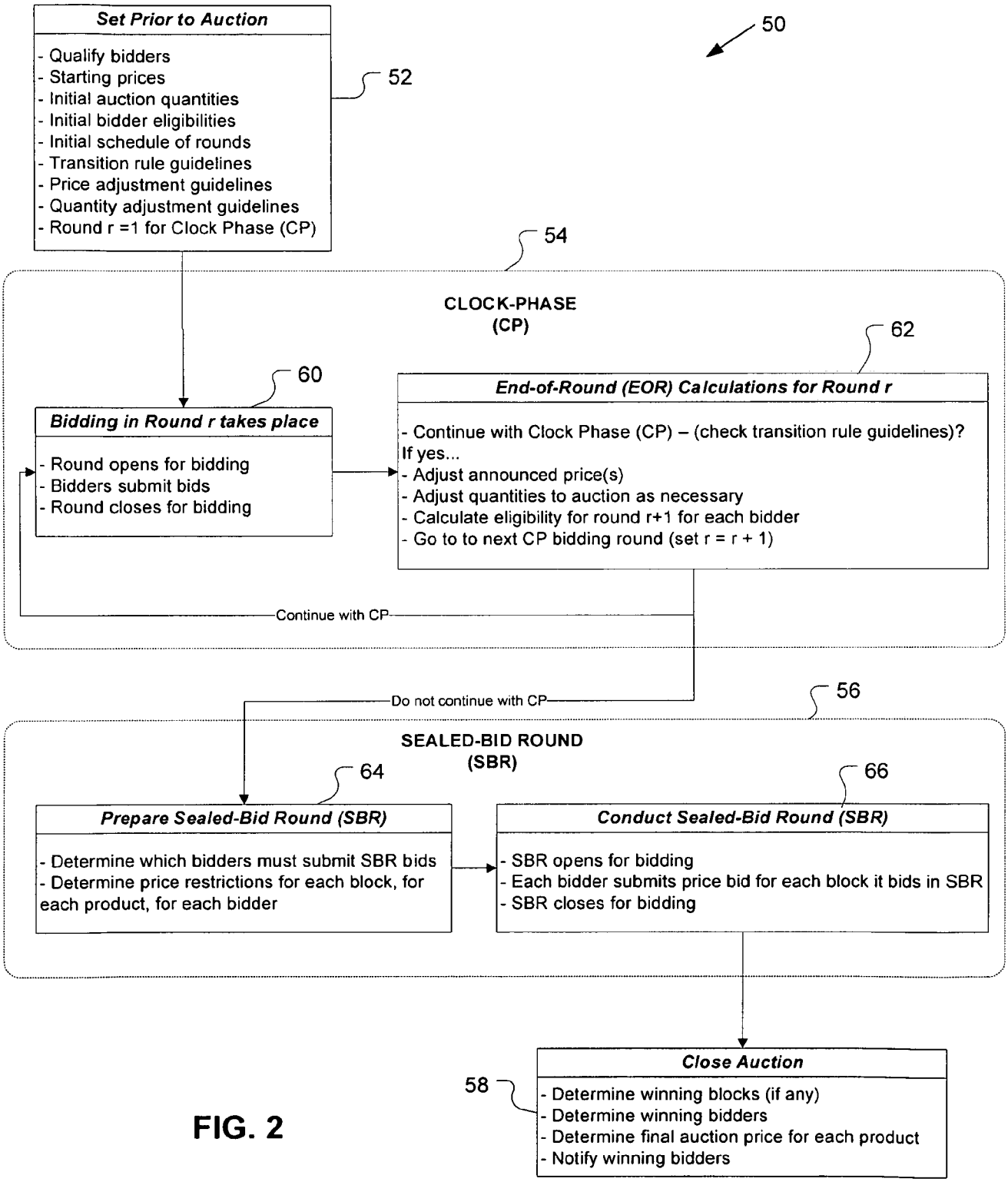

Set Prior to Auction
- Qualify bidders
- Starting prices
- Initial auction quantities
- Initial bidder eligibilities
- Initial schedule of rounds
- Transition rule guidelines
- Price adjustment guidelines
- Quantity adjustment guidelines
- Round r =1 for Clock Phase (CP)
50
52
54
CLOCK-PHASE
(CP)
62
60
End-of-Round (EOR) Calculations for Round r
Bidding in Round r takes place
- Round opens for bidding
- Bidders submit bids
- Round closes for bidding
- Continue with Clock Phase (CP) – (check transition rule guidelines)?
If yes...
- Adjust announced price(s)
- Adjust quantities to auction as necessary
- Calculate eligibility for round r+1 for each bidder
- Go to to next CP bidding round (set r = r + 1)
Continue with CP
Do not continue with CP
56
SEALED-BID ROUND
(SBR)
64
66
Prepare Sealed-Bid Round (SBR)
- Determine which bidders must submit SBR bids
- Determine price restrictions for each block, for each product, for each bidder
Conduct Sealed-Bid Round (SBR)
- SBR opens for bidding
- Each bidder submits price bid for each block it bids in SBR
- SBR closes for bidding
Close Auction
58
- Determine winning blocks (if any)
- Determine winning bidders
- Determine final auction price for each product
- Notify winning bidders

FIG. 2

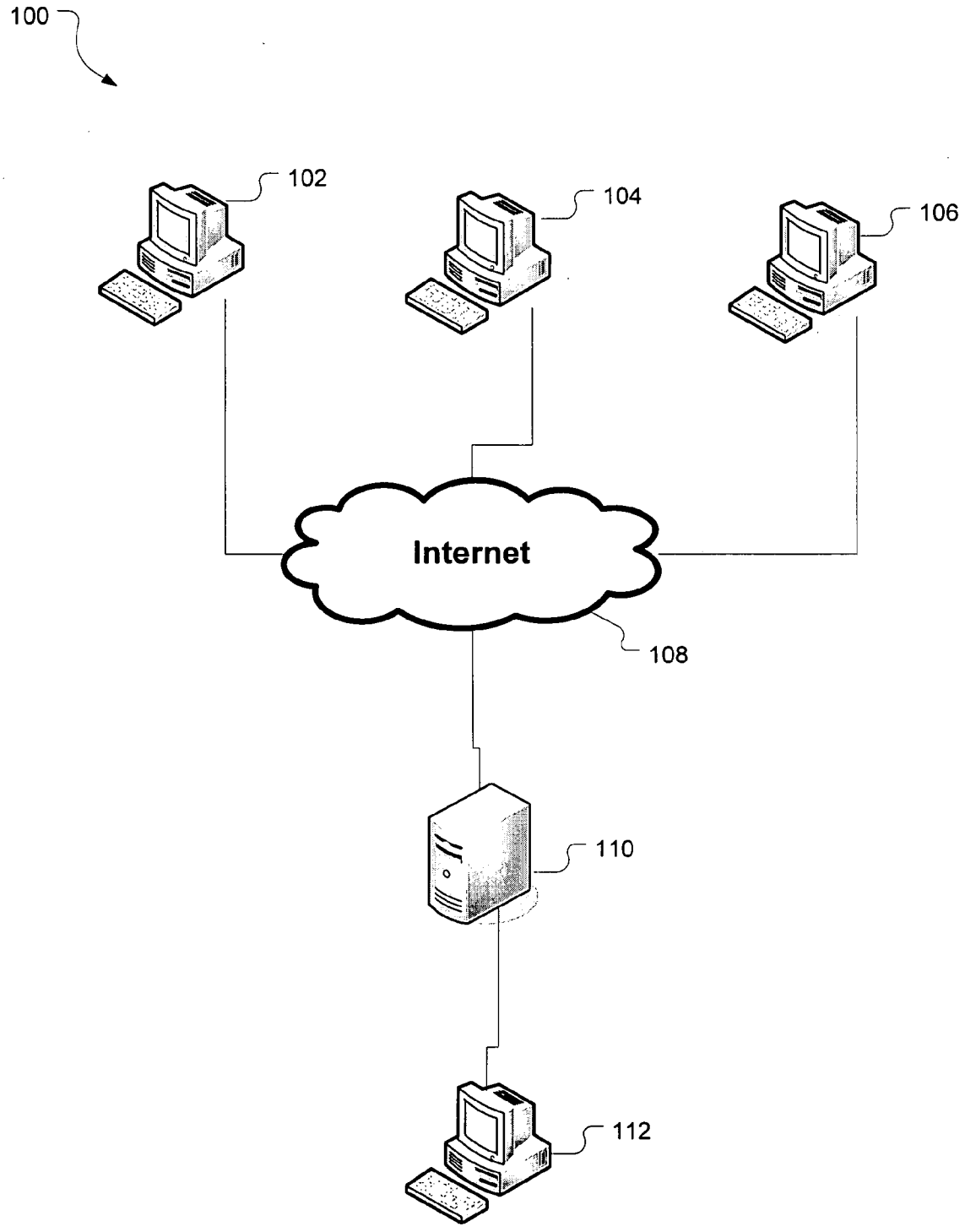


FIG. 3