Deferred-Acceptance Auctions and Radio Spectrum Reallocation[*]

Paul Milgrom[†]   Ilya Segal[‡]

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Abstract

Deferred-acceptance auctions choose allocations by an iterative process of rejecting the least attractive bid. These auctions have distinctive computational and incentive properties that make them suitable for application in some challenging environments, such as the planned US auction to repurchase television broadcast rights. For any set of values, any deferred acceptance auction with "threshold pricing" is weakly group strategy-proof, can be implemented using a clock auction, and leads to the same outcome as the complete-information Nash equilibrium of the corresponding paid-as-bid auction. A paid-as-bid auction with a non-bossy bid-selection rule is dominance solvable if and only if it is a deferred acceptance auction.