

15.067 Spring 2003

**Assignment #10**

You will negotiate a tripartite flight agreement as a representative of one of the three countries, Japan, China and the U.S., taking part in the negotiations.

**PREPARE:**

Prepare by first reading the general information provided for *Negotiation over Flight Agreements: China, Japan and the USA* and then studying the private information provided for your role. General Information appears in the reading packet along with a short article from the Wall Street Journal describing China's move to improve its air fleet.

**READ:**

As all succeeding negotiations will involve multiple parties, read Thompson's Chapter 9: *Multiple Parties, Coalitions and Teams*. Concentrate first on the pragmatic, descriptive component of Thompson's presentation of how to negotiate when there are three or more parties in a negotiation. The prescriptive analysis in Chapter 9 (section on *Coalitions*, pp. 198-203), how to find the *core*, analysis of the Shapley value and strengths and weaknesses of voting schemes to resolve group negotiations, complements Raiffa's treatment of many party negotiations.

Raiffa's PART ONE: **MANY PARTIES, MANY ISSUES, FULL CONSENSUS, Sections A and B** provides a road map for negotiating in the spirit of FOTE when the negotiating parties are reluctant to indulge in a Full Open Truthful Exchange of information. **Section C** shows how to generalize a two party FOTE analysis (Lisa vs. Williams for example) to many parties.

**Instructions for Negotiations Over Flight Agreements:**

All parties are affected by the length of the negotiations. On your report sheets, you therefore have to report the length in minutes of negotiations. Please no collusion on this issue!

Please complete the report sheets with the results of the negotiations. Answer only those questions which apply to you.

The background information for this game is all based on actual fact. Only the payoffs have been created for the purposes of this game.

Your scores will be compared with the results from actual negotiations, as well as with other groups playing this game.

***In addition, there is an absolute time limit for negotiations. If you do not finish within 1.25 hours, all negotiators receive their BATNA. Careful preparation is thus essential!***

Submit the results of your negotiation on the web immediately after concluding negotiations.