There are two key methods for traffic shaping: leaky bucket and token bucket. The leaky bucket  
method employs a leaky bucket to regulate the rate of the traffic leaving a node. Regardless of the  
rate of the inflow, the leaky bucket keeps the outflow at a constant rate. Any excessive packets  
overflowing the bucket are discarded. Two parameters are characteristic to this method and usually  
user configurable: the size of the bucket and the transmission rate.  
The token bucket method, on the other hand, is not as rigid in regulating the rate of the traffic  
leaving a node. It allows packets to go out as fast as they come in provided that there are enough  
tokens. Tokens are generated at a certain rate and deposited into the token bucket till it is full. At the  
expense of a token, certain volume of traffic (i.e., a certain number of bytes) is allowed to leave the  
node. No packets can be transmitted if there are no tokens in the bucket. Yet multiple tokens can be  
consumed at once to allow bursts to go through. This method, unlike the leaky bucket method, does  
not have a discard policy. It leaves to the buffer management to deal with the packets if the bucket  
fills up. Two parameters are characteristic to the token bucket method and usually user  
configurable: the size of the token bucket and the rate of token generation.  
The leaky and token bucket methods can be used together. In particular, traffic can be shaped first  
with the token bucket method and then the leaky bucket method to remove the unwanted busts. Two  
token buckets can also be used in tandem.