

Contents

1	Introduction	1
1.1	Cost Sharing in Networks	1
1.2	Capacity and Price Competition in Networks	4
1.3	Thesis Organization	7
2	Preliminaries	9
2.1	Graphs	9
2.2	Games	10
2.3	Correspondences	12
3	Cost Sharing in Networks	15
3.1	Introduction	15
3.1.1	Problem Description	16
3.1.2	Main Results and Proof Techniques	23
3.1.3	Discussion of the Model and Related Work	25
3.2	An LP-Characterization of Enforceability	28
3.3	Results for Two Player Games	33
3.3.1	Connection to Steiner forests	34
3.3.2	The Set of Bad Configurations and some Intuition	37
3.3.3	Proof Sketch of Theorem 3.3.1	42
3.3.4	(3) implies (1) of Theorem 3.3.1	43
3.3.5	(1) implies (2) of Theorem 3.3.1	47
3.3.6	Discussion of the Result	134
3.4	Results for n -Player Games	137
3.4.1	The Algorithm n -SePa	140
3.4.2	Analysis of Algorithm n -SePa	150
3.4.3	Main Results	167

3.4.4	Discussion of the Results	175
3.5	Bibliographic Notes	179
4	Capacity and Price Competition in Networks	181
4.1	Introduction	181
4.1.1	Problem Description	182
4.1.2	Main Results and Proof Techniques	184
4.1.3	Discussion of the Model and Related Work	185
4.2	Continuity of Profit Functions	187
4.3	Characterization of Best Responses	190
4.3.1	The Case $z_{-i} = 0$	190
4.3.2	The Case $z_{-i} \neq 0$	191
4.3.3	The Characterization	203
4.3.4	Discussion	204
4.4	Existence of Equilibria	205
4.5	Uniqueness of Equilibria	212
4.6	Quality of Equilibria	224
4.7	Bibliographic Notes	225
5	Conclusion	227
	Bibliography	231