The Acid Rain Game: a Formal and Mathematically Rigorous Analysis CORRECTIONS AND SUPPLEMENTS

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$\underline{Corrections:}$

- 1. The word 'Pareto-efficient' should be everywhere replaced by 'Pareto efficient' and the word 'Pareto-inefficient' by 'Pareto inefficient'.
- 2. At some places brackets '[]' are used (due to the publisher) after a function symbol; this is not nice, they should be replaced by '()'. For instance this is two times the case in the first line of page 154.
- 3. Page 140, Definition 1, property 7: ... and $\theta^j : (0, M^j] \to \mathbb{R}$ is twice
- 4. Page 142, line $5 \downarrow : \cdots (Q^j \in (0, r^j]),$
- 5. Page 142, line $5 \downarrow : \cdots (x^j \in (0, M^j])$ and \cdots
- 6. Page 143, line $12 \uparrow : \cdots$ and $B^j(\mathbf{z}) = \mathcal{B}^j(Q^j_{\star}(\mathbf{z})),$
- 7. *Page 143, line 2* ↑:

$$\mathcal{B}^{j'}(c) = -\frac{T_{jj}^2 \mathcal{D}^{j''}(T_{jj}(\mathcal{B}^j(c)+c))}{T_{jj}^2 \mathcal{D}^{j''}(T_{jj}(\mathcal{B}^j(c)+c)) - \theta^{j''}(\mathcal{B}^j(c))}.$$
(9.1)

- 8. Page 143, line $1 \uparrow : \cdots$ that $\mathcal{B}^{j'} \leq 0$ and \cdots
- page 144, line 9 ↑: ··· dominant emission level. See von Mouche (2004) for an example.
 [[See [1] below for this reference.]]
- 10. Page 147, line $6 \uparrow: \theta^{1'}(y^j) = \frac{T_{jj}}{\beta_{j1}T_{11}} \sum_{r=1}^N \cdots$
- 11. Page 151, line $9 \downarrow : \cdots$ each emission vector in $(\mathbf{a}, \mathbf{b}]$.
- 12. Page 152, Research problem 2: · · · than or equal to that in n. (Compare Theorem 19.)
- 13. *Page 153:* ... of the function $(h_c^j)': (0, M^j)$
- 14. Page 154, line $6 \downarrow$: we have $\theta^{j'}(n^j) = T_j j \mathcal{D}^{j'}(Q^j(\mathbf{n}) \ge T_{jj} \mathcal{D}^{j'}(Q^j(\mathbf{z}))$
- 15. Page 154, line $7 \downarrow : \cdots$ thus $\theta_{j}'(n^{j}) \ge \theta_{+}^{j}(z^{j})$; because
- 16. Page 154, line $11 \downarrow : \cdots$ and thus that (a, \ldots, a) is
- 17. Page 155, in Proof of Theorem 11, line $6 \downarrow$: that $(g_{\mathbf{z}^{j}}^{j})'(z^{j}) \geq 0$. From \cdots
- 18. Page 155, in Proof of Theorem 11: Replace everywhere $\mathbf{\hat{z}}\hat{j}$ by $\mathbf{\hat{z}}^{\hat{j}}$.

- 19. Page 155, line $6 \uparrow$: Take $k \in \text{supp}(\lambda)$ with \cdots
- 20. Page 156, line $5 \downarrow : \cdots$ defined by $c^k := b^k \ (k \neq \pi(N)) \cdots$
- 21. Page 155, formula (9.5): $\cdots \leq \frac{T_{ji}}{T_{jj}} \frac{1}{1 \theta^{j''} / (T_{jj}^2 \mathcal{D}^{j''})} \leq |D_i B^j|.$ (9.5)
- 22. Page 158, line 14 \downarrow : · · · Because $S^{j'}$: [0,
- 23. Page 159, Note 3, line $3 \downarrow : \cdots$ in Welsch is almost the same as ours
- 24. Page 160, note 15: \cdots for all permutations π of $\mathcal{N}, \mathbf{x} \in \mathbf{X} \cdots$

<u>Comments:</u> Concerning the 8 research problems on page 152. Problems 3 and 8 have been done in [1]. And in [1] it has been proved that the answer to Problem 4 is 'yes'.

Further reading:

[1] 2009. P. v. Mouche. Non-differentiability of Payoff Functions and Non-uniqueness of Nash Equilibria. World Academy of Science, Engineering and Technology, 53, 731–736.

[2] 2011. P. v. Mouche. On Games with Constant Nash Sum. In: Contributions to Game Theory and Management. Volume IV, 294-310. Editors: L. Petrosjan, N. Zenkevich. Graduate School of Management St. Petersburg. ISBN 978-5-9924-0069-4.

[3] 2014. M. Finus, P. v. Mouche and B. Rundshagen. On Uniqueness of Coalitional Equilibria. In: Contributions to Game Theory and Management. Volume VII, 51-60. Editors: L. Petrosjan, N. Zenkevich. St. Petersburg State University. ISSN 2310-2608.

[4] 2015. H. Folmer and P. v. Mouche. Nash Equilibria of Transboundary Pollution Games. In: Handbook of Research Methods and Applications in Environmental Studies, 504–524. Edward-Elgar. Editor: M. Ruth.

If you think that some other things should be added here, please let me know.