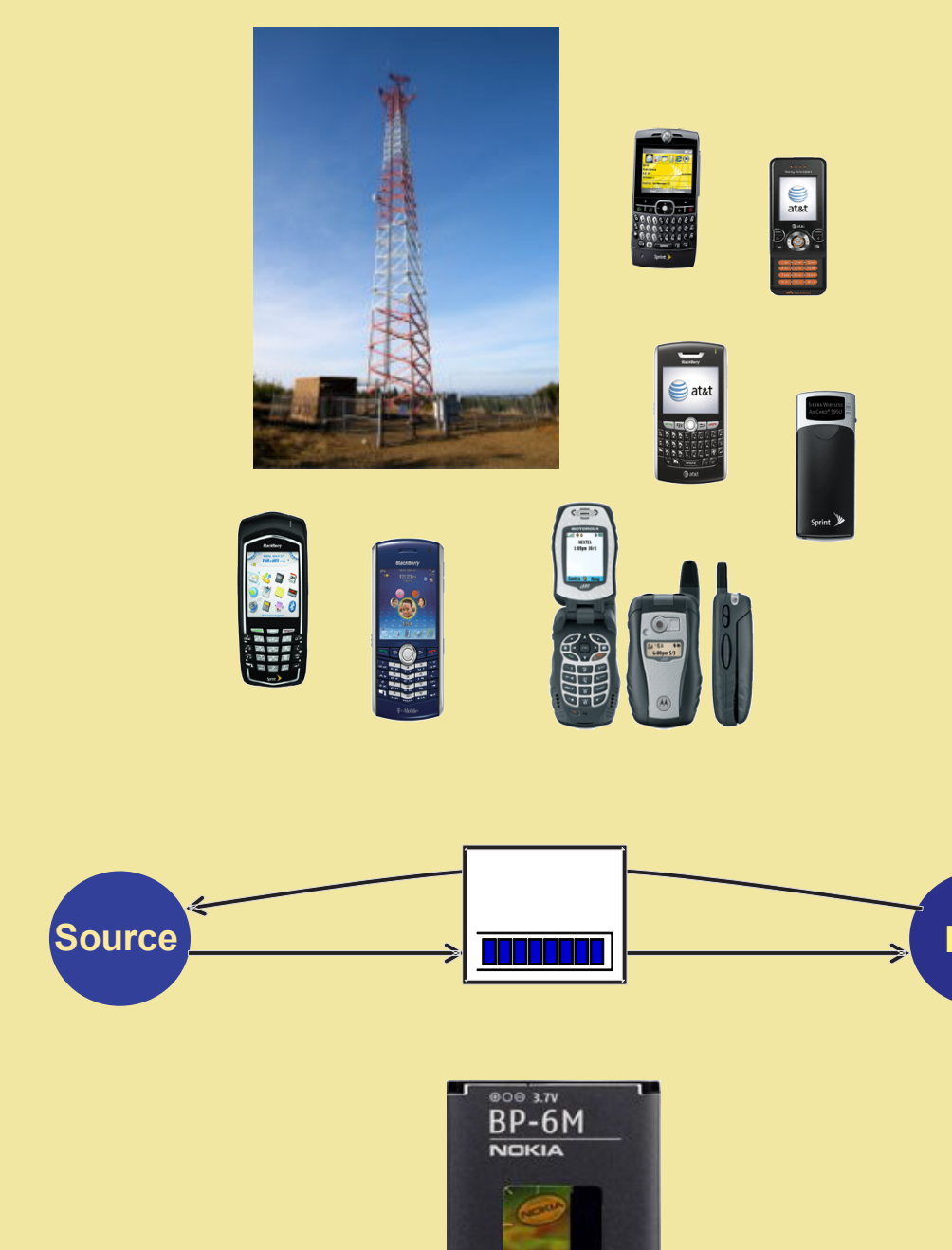
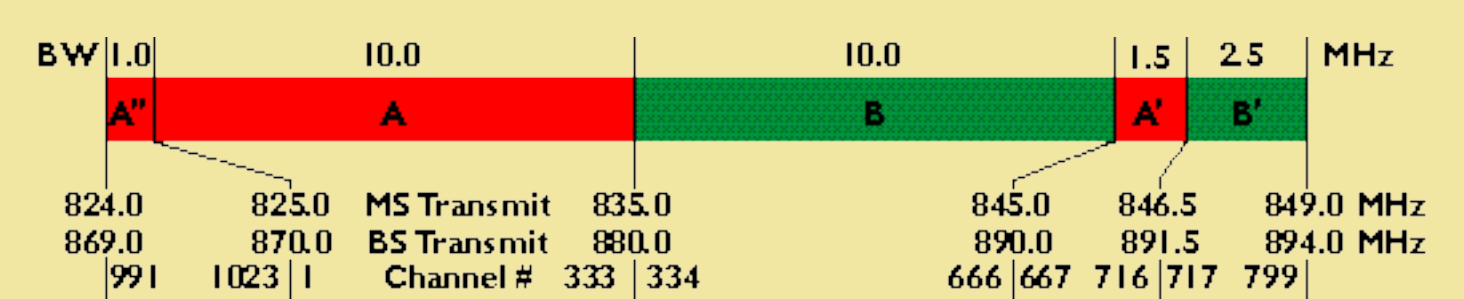


# Resource Allocation in Communication Networks

## Why Resource Management ?



- Increasing demand
- Various applications
- Different QoS
- Limited resources
  - Bandwidth
  - Buffer space
  - Battery



## Relation with Microeconomics



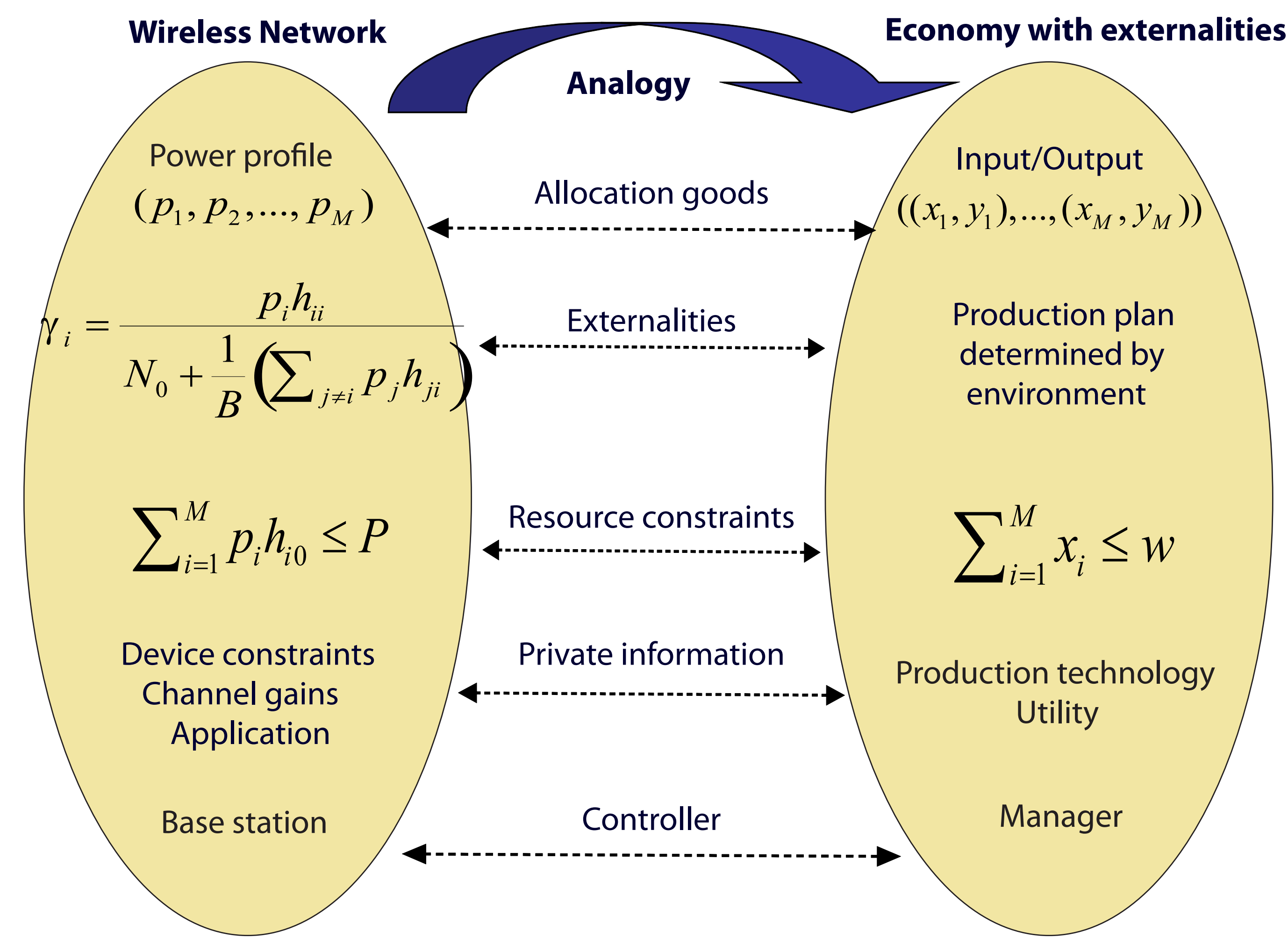
- Chat / Voice over IP
- Private good
- TV / Radio broadcast
- Public good



- Interference
- Externalities
- Multirate multicast
- New problem !

By: Shrutivandana Sharma

## Power Allocation: Wireless-Nets



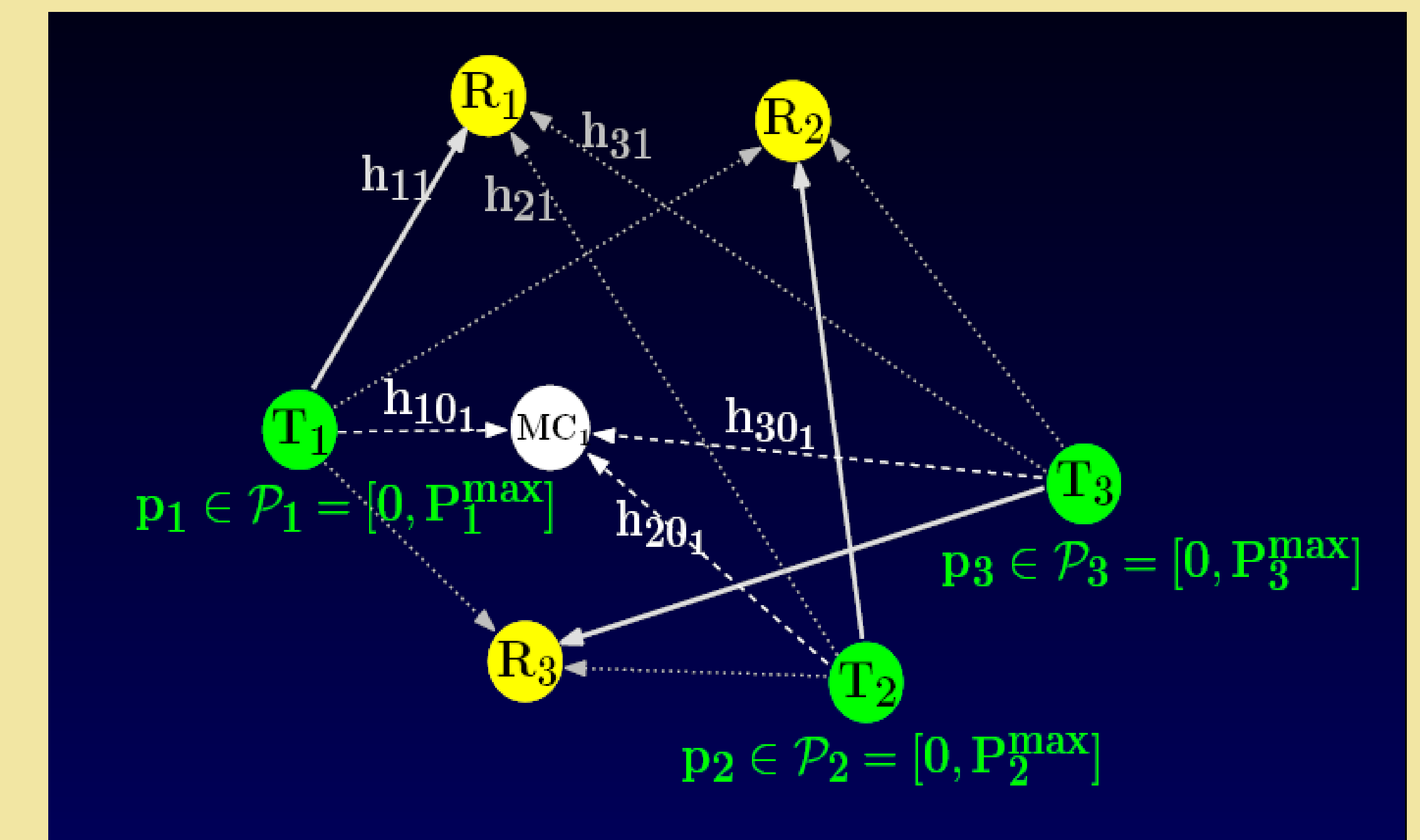
## Pricing and Externalities

- Previous literature on decentralized power allocation is based on pricing mechanisms.
- Pricing mechanisms: users announce prices and/or demands for the resource; allocations are determined by equilibria.
- Information exchange is not sufficient to obtain globally optimal allocations.
- A different approach is required to obtain globally optimal allocations.
- Mechanism design:
  - What information should users exchange?
  - How should resources be allocated ?

Nobel Prize: L. Hurwicz, E.S.Maskin, R.B.Myerson

University of Michigan, Ann Arbor

## Our Work: Optimal Allocation



### Objective

Determine power allocation that satisfies all constraints and maximizes sum of users' utilities.

### Externality Algorithm

Accounts for transmission power externalities generated by each user to other users.

The iterative process guarantees convergence.

Results in globally optimal power allocation.

Message space dimension  $\sim O((\#users)^2)$   
Same as the lower bound on message space dimension required by any mechanism to obtain globally optimal allocations.

### Reference:

S. Sharma and D. Teneketzis,  
"An externality-based decentralized optimal power allocation scheme for wireless mesh networks",  
*Proceedings of IEEE SECON'07*, 18-21 June 2007,  
Page(s):284 - 293

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