

# Economics of network pricing with multiple ISPs

Rayadurgam Srikant  
*Coordinated Science Laboratory*  
*University of Illinois, Urbana-Champaign*  
*1308 W. Main St.*  
*Urbana, IL 61801, USA*

## **Abstract**

In this talk, we will examine how transit, access and end-user prices are set in a network consisting of multiple ISPs. Some ISPs may be geographically co-located so that they compete for the same set of end users while other ISPs do not directly compete for users, but are nevertheless involved in a noncooperative game of setting access and transit prices for each other. We examine the existence of equilibrium price strategies in these situations and show that positive profit can be achieved using threat strategies.

*Joint work with Srinivas Shakkottai.*