Journal of the Operations Research
Society of Japan
2007, Vol. 50, No. 1, 14-30

# OUTER APPROXIMATION METHOD FOR THE MINIMUM MAXIMAL FLOW PROBLEM

Yoshitsugu Yamamoto
*University of Tsukuba*

Daisuke Zenke
*Japan Defense Agency*

(Received April 22, 2005; Revised November 13, 2006)

*Abstract* The minimum maximal flow problem is the problem of minimizing the flow value on the set of maximal flows of a given network. The optimal value indicates how inefficiently the network can be utilized in the presence of some uncontrollability. After extending the gap function characterizing the set of maximal flows, we reformulate the problem as a D.C. optimization problem, and then propose an outer approximation algorithm. The algorithm, based on the idea of $\varepsilon$-optimal solution and local search technique, terminates after finitely many iterations with the optimal value of the problem.

**Keywords**: Network flow, minimum maximal flow, optimization over the efficient set, D.C. optimization, outer approximation, global optimization.

## 1. Introduction

We are given a connected network $(V, s, t, E, \boldsymbol{c})$, where $V$ is the set of $m+2$ nodes containing the source node $s$ and the sink node $t$, $E$ is the set of $n$ arcs and $\boldsymbol{c}$ is the $n$-dimensional real column vector whose $h$th element $c_h$ is the capacity of arc $h$. The set of *feasible flows*, denoted by $X$, is given by

$$X = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid A\boldsymbol{x} = \boldsymbol{0},\ \boldsymbol{0} \leqq \boldsymbol{x} \leqq \boldsymbol{c} \,\}, \tag{1.1}$$

where $m \times n$ matrix $A$ is the matrix whose $(v, h)$ element $a_{vh}$ is

$$a_{vh} = \begin{cases} +1 & \text{if arc } h \text{ leaves node } v \\ -1 & \text{if arc } h \text{ enters node } v \\ 0 & \text{otherwise,} \end{cases}$$

and $\mathbb{R}^n$ is the set of $n$-dimensional real column vectors. Note that the equation $A\boldsymbol{x} = \boldsymbol{0}$ is the flow conservation equation for all nodes except the source node $s$ and the sink node $t$. The well-known conventional *maximum flow problem* is

$$\left|\begin{array}{ll} \max\limits_{\boldsymbol{x}} & \boldsymbol{d}\boldsymbol{x} \\ \text{s.t.} & \boldsymbol{x} \in X, \end{array}\right.$$

where $\boldsymbol{d}$ is the $n$-dimensional row vector whose $h$th element is

$$d_h = \begin{cases} +1 & \text{if arc } h \text{ leaves source } s \\ -1 & \text{if arc } h \text{ enters source } s \\ 0 & \text{otherwise.} \end{cases}$$

**Definition 1.1 (minimum maximal flow problem)** *A vector $\boldsymbol{x} \in X$ is said to be a maximal flow if there is no $\boldsymbol{y} \in X$ such that $\boldsymbol{y} \geqq \boldsymbol{x}$ and $\boldsymbol{y} \neq \boldsymbol{x}$. We use $X_M$ to denote the set of maximal flows, i.e.,*

$$X_M = \{\, \boldsymbol{x} \in X \mid \text{ there is no } \boldsymbol{y} \in X \text{ such that } \boldsymbol{y} \geqq \boldsymbol{x} \text{ and } \boldsymbol{y} \neq \boldsymbol{x} \,\}. \tag{1.2}$$

*A minimum maximal flow problem, abbreviated to $(mmF)$, is defined as*

$$(mmF) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{d}\boldsymbol{x} \\ s.t. & \boldsymbol{x} \in X_M. \end{array} \right.$$

The purpose of this paper is to propose an algorithm for $(mmF)$, which is based on the outer approximation method (OA method for short) for a D.C. optimization problem. D.C. stands for difference of two convex sets (or functions), which will be defined in Section 3.

Our motivation to consider $(mmF)$ is shown below. When we attempt to solve a maximum flow problem on condition that we are not be allowed to decrease arc flows, we often fail to obtain the maximum flow and are obliged to put up with a maximal flow. Under this restricted controllability, the minimum flow value attained by a maximal flow, i.e., the optimal value of $(mmF)$, indicates how inefficiently the network can be utilized. Figure 1 highlights the difference between maximum flow and minimum maximal flow. For network $(a)$, both are 3. On the other hand, for network $(b)$, the minimum maximal flow value reduces to 2 while the maximum flow value remains 3. The minimum maximal flow value does not monotonically increase as the capacities grow.

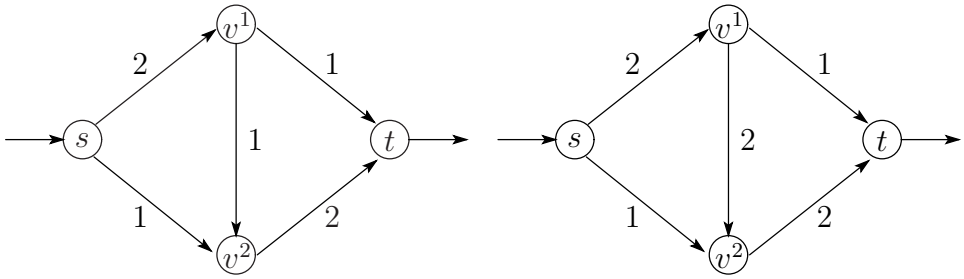



Figure 1: Maximum flow vs. minimum maximal flow

Shi-Yamamoto [24] first raised $(mmF)$ and proposed an algorithm. Several algorithms for $(mmF)$ combining local search and global optimization technique have been proposed in, e.g., Gotoh-Thoai-Yamamoto [15] and Shigeno-Takahashi-Yamamoto [25]. An approach of D.C. optimization is proposed in Muu-Shi [18]. The difficulty of $(mmF)$ is mainly due to the nonconvexity of $X_M$. Indeed, $(mmF)$ embraces the minimum maximal matching problem, which is $\mathcal{NP}$-hard (see, e.g., Garey-Johnson [14]).

It is known that $(mmF)$ is a special and relatively difficult case of optimization problems over the efficient set of a multicriteria problem, which was first studied by Philip [20]. Applying a well-known result of multi objective optimization, we characterize $X_M$ as follows: The point $\bar{\boldsymbol{x}}$ is in $X_M$ if and only if there exists $\boldsymbol{\lambda} \in \mathbb{R}_{n++}$ such that $\bar{\boldsymbol{x}}$ is an optimal solution of

$$(SC(\boldsymbol{\lambda})) \qquad \left| \begin{array}{ll} \max\limits_{\boldsymbol{x}} & \boldsymbol{\lambda}\boldsymbol{x} \\ \text{s.t.} & \boldsymbol{x} \in X, \end{array} \right.$$

where $\mathbb{R}_{n++}$ is the set of $n$-dimensional real row vectors whose elements are positive. Therefore we can easily obtain a point $\boldsymbol{x} \in X_M$ by solving $(SC(\boldsymbol{\lambda}))$ for an arbitrarily chosen $\boldsymbol{\lambda} \in \mathbb{R}_{n++}$. Furthermore, for a sufficiently large $M > 0$ the following set $\Lambda$ substitute for $\mathbb{R}_{n++}$ above:

$$\Lambda = \{\, \boldsymbol{\lambda} \in \mathbb{R}_{n++} \mid \boldsymbol{\lambda} \geqq \boldsymbol{e},\ \boldsymbol{\lambda}\mathbf{1} = M \,\}. \tag{1.3}$$

Shigeno-Takahashi-Yamamoto [25] showed that $n^2$ suffices for $M$ defining $\Lambda$ of (1.3) for $(mmF)$. It is also known and easily seen by applying the parametric linear optimization technique for $(SC(\boldsymbol{\lambda}))$ that $X_M$ is a connected union of several faces of $X$. As for the optimization problem over the efficient set, the reader should refer to, e.g., White [31], Sawaragi-Nakayama-Tanino [22], Steuer [26] and Yamamoto [33]. For solution methods, see Benson [4–6], Bolintineanu [7], Ecker-Song [11], Fülöp [13], Dauer-Fosnaugh [10], Thach-Konno-Yokota [27], Sayin [23], Phong-Tuyen [21], Thoai [28], Muu-Luc [17], An-Tao-Thoai [3] and An-Tao-Muu [1, 2].

Most of the existing algorithms for $(mmF)$ are mainly based on the methods in optimization over the efficient set of a multicriteria problem. These methods anticipate a small number of criteria of the multicriteria problem and convert the problem to a global optimization problem in variables of the number of criteria or so. The number of criteria in $(mmF)$ is, however, equal to the number of arcs. Hence these methods usually do not work efficiently for $(mmF)$. On the other hand our algorithm proposed in this paper does not depend on the number of criteria. Therefore our algorithm is advantageous to $(mmF)$ than the existing algorithms.

For simplicity we assume throughout this paper that the given network satisfies the following three assumptions as well as the connectivity.

**Assumption 1.2**

(i) *Each capacity takes a positive integer, i.e.,* $c_h \in \mathbb{Z}$ *and* $c_h > 0$ *for each* $h \in E$.

(ii) *There is some point* $\boldsymbol{x} \in X$ *such that* $\boldsymbol{x} > \mathbf{0}$.

(iii) *There is no* $t$*-*$s$*-path.*

Note that Assumption 1.2 (i) ensures the integrality of vertices of $X$ as well as the optimal value of $(mmF)$. Note also that $\mathbf{0} \notin X_M$ by Assumption 1.2 (ii), and $\min\{\, \boldsymbol{dx} \mid \boldsymbol{x} \in X \,\} = 0$ by Assumption 1.2 (iii).

In the next section we first introduce a gap function. We then extend the domain of the gap function to $\mathbb{R}^n$ and reformulate $(mmF)$. Section 3 is devoted to a review of the OA method for D.C. optimization problems. Based on this method, we propose an algorithm for $(mmF)$ in Section 4, in which we introduce an $\varepsilon$-optimal solution and investigate the proper range of the parameter $\varepsilon$ for the optimality condition. To make the algorithm more efficient, we incorporate a local search technique. Finally, we show that the algorithm with the local search technique terminates after finitely many iterations. Further works will be described in the last section.

Throughout this paper we use the following notations: $\mathbb{R}^n$ denotes the set of $n$-dimensional real column vectors. Let $\mathbb{R}^n_+ = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{x} \geqq \mathbf{0} \,\}$ and $\mathbb{R}^n_{++} = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{x} > \mathbf{0} \,\}$. Let $\mathbb{R}_n$ denote the set of $n$-dimensional real row vectors, $\mathbb{R}_{n+}$ and $\mathbb{R}_{n++}$ are defined in the similar way. We use $\boldsymbol{e}$ to denote the row vector of ones, $\mathbf{1}$ to denote the column vector of ones, and $\boldsymbol{e}^i$ to denote the $i$th unit row or column vector of an appropriate dimension. Let $I$ denote the identity matrix of an appropriate size. We use $\boldsymbol{a}^\top$ and $A^\top$ to denote the transposed

vector of $\boldsymbol{a}$ and the transposed matrix of $A$, respectively. For a set $S$, we denote the interior of $S$ by $\operatorname{int} S$, the closure of $S$ by $\operatorname{cl} S$, and the relative boundary of $S$ by $\partial S$. We use $P_V$ to denote the set of vertices of a polyhedron $P$. For two vectors $\boldsymbol{v}$ and $\boldsymbol{w}$, let $[\boldsymbol{v}, \boldsymbol{w}]$ denote the line segment with endpoints $\boldsymbol{v}$ and $\boldsymbol{w}$, and let $(\boldsymbol{v}, \boldsymbol{w}] = [\boldsymbol{v}, \boldsymbol{w}] \backslash \{\boldsymbol{v}\}$. Also $[\boldsymbol{v}, \boldsymbol{w})$ and $(\boldsymbol{v}, \boldsymbol{w})$ are defined in the similar way.

## 2. Reformulation of $(mmF)$ by the Extended Gap Function

It is known that the *gap function* $g : \mathbb{R}^n \to \mathbb{R} \cup \{-\infty\}$ given by

$$g(\boldsymbol{x}) = \max\{\, \boldsymbol{ey} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x} \,\} - \boldsymbol{ex} \tag{2.1}$$

defines the set of maximal flows $X_M$ as

$$X_M = \{\, \boldsymbol{x} \in X \mid g(\boldsymbol{x}) \leqq 0 \,\}.$$

Note that $g(\boldsymbol{x}) = -\infty$ if there is no $\boldsymbol{y} \in X$ such that $\boldsymbol{y} \geqq \boldsymbol{x}$. Hence we can rewrite $(mmF)$ as

$$(mmF) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{dx} \\ \text{s.t.} & \boldsymbol{x} \in X,\ g(\boldsymbol{x}) \leqq 0. \end{array} \right.$$

The function $g$ has some nice properties such as piecewise linearity and concavity; for more information, see, e.g., Benson [4] and White [32].

The *domain of* $g$, denoted by $\operatorname{dom} g$, is the set $\{\, \boldsymbol{x} \in \mathbb{R}^n \mid g(\boldsymbol{x}) > -\infty \,\}$. When we apply the OA method to $(mmF)$, we need to evaluate $g$ at points outside of $X$. Unless there is a point $\boldsymbol{y} \in X$ satisfying $\boldsymbol{y} \geqq \boldsymbol{v}$, $g(\boldsymbol{v})$ takes $-\infty$, and hence no information is available about how far the point $\boldsymbol{v}$ is from the domain of $g$. We extend the domain of the gap function $g$ to $\mathbb{R}^n$ in this section. The *extended gap function* $\bar{g} : \mathbb{R}^n \to \mathbb{R}$ is defined as

$$\bar{g}(\boldsymbol{x}) = \max\{\, \boldsymbol{ey} - \bar{\boldsymbol{\beta}}\boldsymbol{t} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} + \boldsymbol{t} \geqq \boldsymbol{x},\ \boldsymbol{t} \geqq \boldsymbol{0} \,\} - \boldsymbol{ex}, \tag{2.2}$$

where the $n$-dimensional row vector $\bar{\boldsymbol{\beta}}$ will be specified later. Clearly $\bar{g}$ is also a piecewise linear concave function. The following theorem in Yamamoto-Zenke [34] shows that $\bar{g}$ is an extension of $g$.

**Theorem 2.1**

*(i) The domain of $\bar{g}$ is $\mathbb{R}^n$ for any $\bar{\boldsymbol{\beta}} \geqq \boldsymbol{0}$.*

*(ii) If $\bar{\boldsymbol{\beta}} \geqq n\boldsymbol{e}$ then $\bar{g} = g$ on the domain of $g$.*

**Proof:** See Appendix for the proof.

Based on Theorem 2.1, we hereafter fix $\bar{\boldsymbol{\beta}} = n\boldsymbol{e}$, and we replace the constraint $g(\boldsymbol{x}) \leqq 0$ in $(mmF)$ with $\bar{g}(\boldsymbol{x}) \leqq 0$ to obtain an equivalent formulation of $(mmF)$:

$$(mmF) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{dx} \\ \text{s.t.} & \boldsymbol{x} \in X,\ \bar{g}(\boldsymbol{x}) \leqq 0, \end{array} \right.$$

which is equivalent to

$$(mmF) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{dx} \\ \text{s.t.} & \boldsymbol{x} \in X \backslash \operatorname{int} \bar{G}, \end{array} \right.$$

where

$$\bar{G} = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \bar{g}(\boldsymbol{x}) \geqq 0 \,\}. \tag{2.3}$$

Note that $\bar{G}$ is a convex set since $\bar{g}$ is a concave function. By the definition of $\bar{g}$, it is clear that $\bar{g}(\boldsymbol{x}) \geqq 0$ for all $\boldsymbol{x} \in X$, i.e., $X \subseteqq \bar{G}$. Since Assumption 1.2 (ii) implies $\mathbf{0} \in X \backslash X_M$, we see that $\bar{g}(\mathbf{0}) = g(\mathbf{0}) > 0$, i.e., $\mathbf{0} \in \operatorname{int} \bar{G}$. In other words $\bar{G}$ has full dimension. Additionally we have the following lemma.

**Lemma 2.2** *$\bar{g}(\boldsymbol{x}) > 0$ for every point $\boldsymbol{x}$ in the relative interior of $X$.*

**Proof:** Let $\boldsymbol{x}$ be a point in the relative interior of $X$, i.e., $A\boldsymbol{x} = \mathbf{0}$ and $\mathbf{0} < \boldsymbol{x} < \boldsymbol{c}$. Letting $\boldsymbol{x}' = (1+\varepsilon)\boldsymbol{x}$ for a sufficiently small $\varepsilon > 0$, we see that $A\boldsymbol{x}' = \mathbf{0}$ and $\mathbf{0} \leqq \boldsymbol{x}' \leqq \boldsymbol{c}$, i.e., $\boldsymbol{x}' \in X$ and $\boldsymbol{x}' \geqq \boldsymbol{x}$. Therefore $\bar{g}(\boldsymbol{x}) = g(\boldsymbol{x}) \geqq \boldsymbol{e}(\boldsymbol{x}' - \boldsymbol{x}) = \varepsilon \boldsymbol{e}\boldsymbol{x} > 0$.

## 3. Outer Approximation Method for D.C. Optimization Problems

A set $S$ is said to be a *D.C. set* if there are two convex sets $Q$ and $R$ such that $S = Q \backslash R$. An optimization problem on a D.C. set is called a *D.C. optimization problem*, which is studied in, e.g., Tuy [29, 30] and Horst-Tuy [16]. In this section we explain the OA method for a *canonical form D.C. optimization problem*, abbreviated to $(CDC)$, which is defined as

$$(CDC) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{p}\boldsymbol{x} \\ \text{s.t.} & \boldsymbol{x} \in D,\ h(\boldsymbol{x}) \geqq 0, \end{array} \right.$$

where $\boldsymbol{p} \in \mathbb{R}_n$ is a cost vector, $D \subseteqq \mathbb{R}^n$ is a nonempty compact convex set and $h : \mathbb{R}^n \to \mathbb{R} \cup \{+\infty\}$ is a convex function. We assume that

$$\operatorname{int} \{\, \boldsymbol{x} \in \mathbb{R}^n \mid h(\boldsymbol{x}) \leqq 0 \,\} = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid h(\boldsymbol{x}) < 0 \,\}.$$

Defining a convex set $H = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid h(\boldsymbol{x}) \leqq 0 \,\}$, we can write $(CDC)$ as

$$(CDC) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{p}\boldsymbol{x} \\ \text{s.t.} & \boldsymbol{x} \in D \backslash \operatorname{int} H, \end{array} \right.$$

and hence $(CDC)$ is a D.C. optimization problem. For convenience we further assume that

$$\mathbf{0} \in D \cap \operatorname{int} H, \text{ and } \min\{\, \boldsymbol{p}\boldsymbol{x} \mid \boldsymbol{x} \in D \,\} = 0. \tag{3.1}$$

Note that $(CDC)$ reduces to $(mmF)$ when $D = X, H = \bar{G}$ and $\boldsymbol{p} = \boldsymbol{d}$.

### 3.1. Regularity and optimality condition

Problem $(CDC)$ is said to be *regular* when

$$D \backslash \operatorname{int} H = \operatorname{cl}(D \backslash H). \tag{3.2}$$

Figure 2 shows an example of $(CDC)$ that is not regular, where $\boldsymbol{x}^* \in D \backslash \operatorname{int} H$, while $\boldsymbol{x}^* \notin \operatorname{cl}(D \backslash H)$.

We hereafter assume that $(CDC)$ is regular. The regularity assumption yields the optimality condition Theorem 3.1, which was given by Horst-Tuy [16]. To make this paper self-contained, we give a proof in Appendix. In the following we denote

$$D(\eta) = \{\, \boldsymbol{x} \in D \mid \boldsymbol{p}\boldsymbol{x} \leqq \eta \,\} \tag{3.3}$$

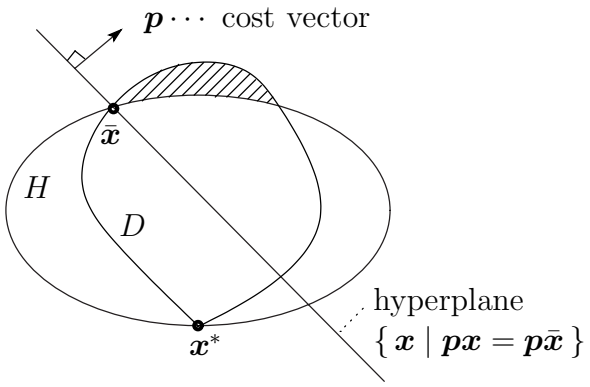



Figure 2: The case where $(CDC)$ is not regular

for $\eta \in \mathbb{R}$.

**Theorem 3.1** *Let $\bar{\boldsymbol{x}}$ be a feasible solution of $(CDC)$. If $(CDC)$ is regular and $D(\boldsymbol{p}\bar{\boldsymbol{x}}) \subseteqq H$ then $\bar{\boldsymbol{x}}$ is an optimal solution.*

**Proof:** See Appendix for the proof.

The above optimality condition is not necessarily valid unless $(CDC)$ is regular. For instance, an optimal solution in Figure 2 is not $\bar{\boldsymbol{x}}$ but $\boldsymbol{x}^*$ while the inclusion $D(\boldsymbol{p}\bar{\boldsymbol{x}}) \subseteqq H$ is met.

### 3.2. OA method for $(CDC)$

Let $\boldsymbol{x}^*$ be an optimal solution of $(CDC)$ and $\bar{\boldsymbol{x}}^k \in D\backslash \operatorname{int} H$ be the incumbent at iteration $k$. In the OA method, we construct polytopes $P^0, P^1, \cdots, P^k, \cdots$ such that $P^0 \supseteqq P^1 \supseteqq \cdots \supseteqq P^k \supseteqq \cdots \supseteqq D(\boldsymbol{p}\boldsymbol{x}^*)$. If $\boldsymbol{p}\bar{\boldsymbol{x}}^k = 0$, we have done by (3.1). In the case where $\boldsymbol{p}\bar{\boldsymbol{x}}^k > 0$, we check the optimality condition $D(\boldsymbol{p}\bar{\boldsymbol{x}}^k) \subseteqq H$ by evaluating $h(\boldsymbol{v})$ at each vertex $\boldsymbol{v}$ of $P^k$. Namely, if $h(\boldsymbol{v}) \leqq 0$ for each vertex $\boldsymbol{v}$ of $P^k$, meaning $P^k \subseteqq H$, then $\bar{\boldsymbol{x}}^k$ solves $(CDC)$. Otherwise we construct $P^{k+1}$ by adding some linear inequality to $P^k$.

Here we describe the OA method for $(CDC)$.

/** OA method for $(CDC)$ **/

$\langle 0\rangle$ (initialization) Find an initial feasible solution $\bar{\boldsymbol{x}}^0$ of $(CDC)$ and construct an initial polytope $P^0$ such that $P^0 \supseteqq D(\boldsymbol{p}\bar{\boldsymbol{x}}^0)$. Compute the vertex set $P^0_V$ of $P^0$. Set $k := 0$.

$\langle k\rangle$ (iteration $k$) Find a vertex $\boldsymbol{v}^k \in \arg\max\{\, h(\boldsymbol{v}) \mid \boldsymbol{v} \in P^k_V \,\}$.

- $\langle k1\rangle$ (termination) If either $\boldsymbol{p}\bar{\boldsymbol{x}}^k = 0$ or $h(\boldsymbol{v}^k) \leqq 0$, meaning $P^k \subseteqq H$, then stop. (The current incumbent $\bar{\boldsymbol{x}}^k$ is an optimal solution of $(CDC)$). Otherwise, obtain the point $\boldsymbol{x}^k \in [\boldsymbol{0}, \boldsymbol{v}^k) \cap \partial H$.
- $\langle k2\rangle$ (cutting the polytope) If $\boldsymbol{x}^k \notin D$, set $\bar{\boldsymbol{x}}^{k+1} := \bar{\boldsymbol{x}}^k$ and $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid l(\boldsymbol{x}) \leqq 0 \,\}$ for some affine function $l : \mathbb{R}^n \to \mathbb{R}$ such that $l(\boldsymbol{v}^k) > 0$ and $l(\boldsymbol{x}) \leqq 0$ for all $\boldsymbol{x} \in D(\boldsymbol{p}\bar{\boldsymbol{x}}^k)$. If $\boldsymbol{x}^k \in D$, set $\bar{\boldsymbol{x}}^{k+1} := \boldsymbol{x}^k$ and $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{p}\boldsymbol{x} \leqq \boldsymbol{p}\bar{\boldsymbol{x}}^{k+1} \,\}$.
- $\langle k3\rangle$ Compute the vertex set $P^{k+1}_V$ of $P^{k+1}$. Set $k := k+1$ and go to $\langle k\rangle$.

**Remark 3.2** *Note that adding a linear inequality to $P^k$ yields $P^{k+1}$ and the vertex set $P_V^k$ of $P^k$ is at hand. Subroutines for computing the vertex set $P_V^{k+1}$ from the knowledge of $P_V^k$ are provided in, e.g., Chen-Hansen-Jaumard [8], Subsection* 7.4 *of Padberg [19] and Chapter* 18 *of Chvátal [9]. Due to the possible degeneracy of $P^k$, a sophisticated implementation should be needed, e.g., Fukuda-Prodon [12].*

## 4. Outer Approximation Method for $(mmF)$

By Assumption 1.2 (ii)-(iii), we have

$$\mathbf{0} \in X \cap \operatorname{int} \bar{G}, \text{ and } \min\{\, \boldsymbol{d}\boldsymbol{x} \mid \boldsymbol{x} \in X \,\} = 0, \tag{4.1}$$

which correspond to (3.1). Hence we can apply the OA method to $(mmF)$ if the regularity condition is met.

### 4.1. Regularity and optimality condition

Unfortunately, the problem $(mmF)$ is not regular. Hence we introduce a positive tolerance $\varepsilon$ and consider, instead of $(mmF)$,

$$(mmF_\varepsilon) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{x}} & \boldsymbol{d}\boldsymbol{x} \\ \text{s.t.} & \boldsymbol{x} \in X \backslash \operatorname{int} \bar{G}_\varepsilon, \end{array} \right.$$

where

$$\bar{G}_\varepsilon = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \bar{g}(\boldsymbol{x}) \geqq \varepsilon \,\}. \tag{4.2}$$

We call an optimal solution of $(mmF_\varepsilon)$ an *$\varepsilon$-optimal solution of* $(mmF)$.

First we show that any positive $\varepsilon$ ensures the regularity of $(mmF_\varepsilon)$.

**Theorem 4.1** *The problem $(mmF_\varepsilon)$ is regular for any $\varepsilon > 0$.*

**Proof:** We show that

$$X \backslash \operatorname{int} \bar{G}_\varepsilon = \operatorname{cl}(X \backslash \bar{G}_\varepsilon) \tag{4.3}$$

holds for any $\varepsilon > 0$.

($\supseteqq$) Since $X \backslash \operatorname{int} \bar{G}_\varepsilon$ is closed and $X \backslash \operatorname{int} \bar{G}_\varepsilon \supseteqq X \backslash \bar{G}_\varepsilon$, we have

$$X \backslash \operatorname{int} \bar{G}_\varepsilon = \operatorname{cl}(X \backslash \operatorname{int} \bar{G}_\varepsilon) \supseteqq \operatorname{cl}(X \backslash \bar{G}_\varepsilon).$$

($\subseteqq$) Let $\boldsymbol{x}$ be an arbitrary point of $X \backslash \operatorname{int} \bar{G}_\varepsilon$ and let $N_\delta(\boldsymbol{x})$ denote its $\delta$-neighborhood, i.e., $N_\delta(\boldsymbol{x}) = \{\, \boldsymbol{x}' \in \mathbb{R}^n \mid \|\boldsymbol{x}' - \boldsymbol{x}\| < \delta \,\}$. We show that there is always a point, say $x'$ in $N_\delta(\boldsymbol{x}) \cap (X \backslash \bar{G}_\varepsilon)$. If $\bar{g}(\boldsymbol{x}) > \varepsilon$ then there exists $\gamma > 0$ such that $\bar{g}(\boldsymbol{x}') > \varepsilon$ for any point $\boldsymbol{x}' \in N_\gamma(\boldsymbol{x})$ by the continuity of $\bar{g}$. This implies $N_\gamma(\boldsymbol{x}) \subseteqq \bar{G}_\varepsilon$, and hence $\boldsymbol{x} \in \operatorname{int} \bar{G}_\varepsilon$. Therefore the assumption $\boldsymbol{x} \in X \backslash \operatorname{int} \bar{G}_\varepsilon$ implies that $\boldsymbol{x} \in X$ and $\bar{g}(\boldsymbol{x}) \leqq \varepsilon$. By Theorem 2.1, we have $\bar{g}(\boldsymbol{x}) = g(\boldsymbol{x})$. When $\bar{g}(\boldsymbol{x}) < \varepsilon$, take $\boldsymbol{x}$ as $\boldsymbol{x}'$. Clearly $\boldsymbol{x}' = \boldsymbol{x} \notin \bar{G}_\varepsilon$ and $\boldsymbol{x}' = \boldsymbol{x} \in N_\delta(\boldsymbol{x})$, and we have done. When $g(\boldsymbol{x}) = \bar{g}(\boldsymbol{x}) = \varepsilon$, there is an optimal solution $\boldsymbol{y}^*$ of $\max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x} \,\}$ such that $\boldsymbol{e}(\boldsymbol{y}^* - \boldsymbol{x}) = \varepsilon$, and hence $\boldsymbol{y}^* \neq \boldsymbol{x}$. Take $\lambda$ such that $0 < \lambda < \min\{\, 1,\ \delta / \|\boldsymbol{y}^* - \boldsymbol{x}\| \,\}$ and let $\boldsymbol{x}' = \lambda \boldsymbol{y}^* + (1 - \lambda)\boldsymbol{x}$. Since $\|\boldsymbol{x}' - \boldsymbol{x}\| = \lambda \|\boldsymbol{y}^* - \boldsymbol{x}\| < \delta$,

we see $\boldsymbol{x}' \in N_\delta(\boldsymbol{x})$. Also we see that $\boldsymbol{x}' \in X$ by the convexity of $X$, and hence $g(\boldsymbol{x}') = \bar{g}(\boldsymbol{x}')$ by applying Theorem 2.1 again. Since $\boldsymbol{x}' \geqq \boldsymbol{x}$ and $\boldsymbol{x}' \neq \boldsymbol{x}$, we have

$$\begin{aligned}\bar{g}(\boldsymbol{x}') &= g(\boldsymbol{x}') \\ &= \max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x}' \,\} - \boldsymbol{e}\boldsymbol{x}' \\ &< \max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x} \,\} - \boldsymbol{e}\boldsymbol{x} \\ &= \boldsymbol{e}(\boldsymbol{y}^* - \boldsymbol{x}) = \varepsilon.\end{aligned}$$

Therefore we see that $\boldsymbol{x}' \notin \bar{G}_\varepsilon$. This completes the proof.

We illustrate a difference between $(mmF)$ and $(mmF_\varepsilon)$ in Figure 3, in which we use a two-dimensional general polyhedron $X = \{\, \boldsymbol{x} \in \mathbb{R}^2 \mid B\boldsymbol{x} \leqq \boldsymbol{b},\ \boldsymbol{x} \geqq \boldsymbol{0} \,\}$ with $B \in \mathbb{R}^{m\times 2}$ and $\boldsymbol{b} \in \mathbb{R}^m$ because the set of feasible flows $X = \{\, \boldsymbol{x} \in \mathbb{R}^n \mid A\boldsymbol{x} = \boldsymbol{0},\ \boldsymbol{0} \leqq \boldsymbol{x} \leqq \boldsymbol{c} \,\}$ is unsuitable for illustration. In this figure, we see that $X \backslash \operatorname{int} \bar{G}_\varepsilon = \operatorname{cl}(X \backslash \bar{G}_\varepsilon)$ while $X \backslash \operatorname{int} \bar{G} \neq \operatorname{cl}(X \backslash \bar{G})$.

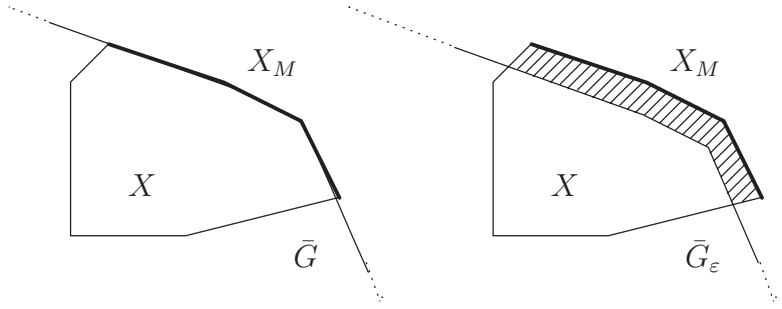



Figure 3: A difference between $(mmF)$ and $(mmF_\varepsilon)$

Next we discuss an upper bound of $\varepsilon$, which will be crucial for the convergence of the algorithm.

**Lemma 4.2** *If $\varepsilon \in (0,1)$ then $\boldsymbol{0} \in \operatorname{int} \bar{G}_\varepsilon$, and $(\boldsymbol{0}, \boldsymbol{v}) \cap \partial \bar{G}_\varepsilon \neq \emptyset$ for any point $\boldsymbol{v}$ such that $\bar{g}(\boldsymbol{v}) \leqq 0$.*

**Proof:** We have $\bar{g}(\boldsymbol{0}) > 0$ since $\boldsymbol{0} \in \operatorname{int} \bar{G}$. Note that $\bar{g}(\boldsymbol{0})$, which coincides with $g(\boldsymbol{0})$, takes an integer value by the integrality property of $X$, and hence $\bar{g}(\boldsymbol{0}) \geqq 1$. Then we have $\bar{g}(\boldsymbol{0}) > \varepsilon$, i.e., $\boldsymbol{0} \in \operatorname{int} \bar{G}_\varepsilon$ for any $\varepsilon \in (0,1)$. The continuity of $\bar{g}$ ensures the last assertion.

In the following lemma, we use $\delta_s$ to denote the number of arcs leaving node $s$, i.e.,

$$\delta_s = |\{\, h \mid d_h = +1 \,\}|. \tag{4.4}$$

**Lemma 4.3** *Let $\boldsymbol{x}^*$ and $\boldsymbol{x}^*_\varepsilon$ be an optimal solution and an $\varepsilon$-optimal solution of $(mmF)$, respectively. Then $0 \leqq \boldsymbol{d}\boldsymbol{x}^* - \boldsymbol{d}\boldsymbol{x}^*_\varepsilon \leqq \varepsilon\delta_s$.*

**Proof:** Since $\boldsymbol{x}^* \in X$ and $\bar{g}(\boldsymbol{x}^*) \leqq 0$, $\boldsymbol{x}^*$ is a feasible solution of $(mmF_\varepsilon)$, and hence $\boldsymbol{d}\boldsymbol{x}^*_\varepsilon \leqq \boldsymbol{d}\boldsymbol{x}^*$. Let $\boldsymbol{y}^*_\varepsilon$ be an optimal solution of $\max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x}^*_\varepsilon \,\}$. Clearly $\boldsymbol{y}^*_\varepsilon \in X_M$, i.e., $\boldsymbol{y}^*_\varepsilon$ is a feasible solution of $(mmF)$, and hence $\boldsymbol{d}\boldsymbol{x}^* \leqq \boldsymbol{d}\boldsymbol{y}^*_\varepsilon$. We see that $(y^*_\varepsilon)_h - (x^*_\varepsilon)_h \leqq \varepsilon$ for each $h = 1, \ldots, n$, since $\boldsymbol{y}^*_\varepsilon - \boldsymbol{x}^*_\varepsilon \geqq \boldsymbol{0}$ and $\boldsymbol{e}(\boldsymbol{y}^*_\varepsilon - \boldsymbol{x}^*_\varepsilon) \leqq \varepsilon$. This implies $\boldsymbol{d}(\boldsymbol{y}^*_\varepsilon - \boldsymbol{x}^*_\varepsilon) \leqq \varepsilon|\{\, h \mid d_h = +1 \,\}| = \varepsilon\delta_s$, implying $\boldsymbol{d}\boldsymbol{x}^*_\varepsilon \leqq \boldsymbol{d}\boldsymbol{x}^* \leqq \boldsymbol{d}\boldsymbol{y}^*_\varepsilon \leqq \boldsymbol{d}\boldsymbol{x}^*_\varepsilon + \varepsilon\delta_s$.

**Theorem 4.4** *Let $\boldsymbol{x}^*_\varepsilon$ be an $\varepsilon$-optimal solution for some $\varepsilon \in (0,\, 1/\delta_s)$. Then $\lceil \boldsymbol{dx}^*_\varepsilon \rceil$ coincides with the optimal value of $(mmF)$.*

**Proof:** From Lemma 4.3 we see that $0 \leqq \boldsymbol{dx}^* - \boldsymbol{dx}^*_\varepsilon < 1$. This inequality and the integrality of $\boldsymbol{dx}^*$ give the assertion.

In the sequel we choose $\varepsilon$ from the open interval $(0,\, 1/\delta_s)$.

Note that $\bar{g}(\boldsymbol{x}^*_\varepsilon) \leqq \varepsilon$ holds for an $\varepsilon$-optimal solution $\boldsymbol{x}^*_\varepsilon$ of $(mmF)$. Therefore $\bar{g}(\boldsymbol{x}) \leqq 0$ for any accumulation point $\boldsymbol{x}$ of $\{\boldsymbol{x}^*_\varepsilon\}_{\varepsilon\to 0+}$. This observation leads to the following corollary.

**Corollary 4.5** *Let $\{\boldsymbol{x}^*_\varepsilon\}_{\varepsilon\to 0+}$ be a sequence of $\varepsilon$-optimal solutions of $(mmF)$ for $\varepsilon$ converging to 0 from above. Then any accumulation point of $\{\boldsymbol{x}^*_\varepsilon\}_{\varepsilon\to 0+}$ is an optimal solution of $(mmF)$.*

For $\eta \in \mathbb{R}$ let

$$X(\eta) = \{\, \boldsymbol{x} \in X \mid \boldsymbol{dx} \leqq \eta \,\}. \tag{4.5}$$

As seen in Theorem 3.1, the optimality condition of $(mmF_\varepsilon)$ is $X(\boldsymbol{d\bar{x}}_\varepsilon) \subseteqq \bar{G}_\varepsilon$ for some $\bar{\boldsymbol{x}}_\varepsilon \in X \backslash \operatorname{int} \bar{G}_\varepsilon$. We can further relax this condition.

**Theorem 4.6** *Let $\bar{\boldsymbol{x}}_\varepsilon \in X \backslash int\, \bar{G}_\varepsilon$ for some $\varepsilon \in (0,\, 1/\delta_s)$. If $X(\lceil \boldsymbol{d\bar{x}}_\varepsilon - 1 \rceil) \subseteqq \bar{G}_{\varepsilon'}$ for some $\varepsilon' > 0$ then $\lceil \boldsymbol{d\bar{x}}_\varepsilon \rceil$ coincides with the optimal value of $(mmF)$.*

**Proof:** Let $\boldsymbol{x}^*$ and $\boldsymbol{x}^*_\varepsilon$ be an optimal solution and an $\varepsilon$-optimal solution of $(mmF)$, respectively. Since $\bar{\boldsymbol{x}}_\varepsilon$ is a feasible solution of $(mmF_\varepsilon)$, we have $\boldsymbol{dx}^*_\varepsilon \leqq \boldsymbol{d\bar{x}}_\varepsilon$. It is also clear that $\boldsymbol{dx}^*_\varepsilon \leqq \boldsymbol{dx}^*$. If $\boldsymbol{dx}^* < \boldsymbol{d\bar{x}}_\varepsilon$ then we have $\boldsymbol{x}^* \in X(\lceil \boldsymbol{d\bar{x}}_\varepsilon - 1 \rceil) \subseteqq \bar{G}_{\varepsilon'}$ since $\boldsymbol{dx}^*$ is integer, and hence $\bar{g}(\boldsymbol{x}^*) \geqq \varepsilon' > 0$, which contradicts that $\bar{g}(\boldsymbol{x}^*) = 0$. Then we have $\boldsymbol{d\bar{x}}_\varepsilon \leqq \boldsymbol{dx}^*$. Hence by Lemma 4.3 we obtain $\boldsymbol{dx}^*_\varepsilon \leqq \boldsymbol{d\bar{x}}_\varepsilon \leqq \boldsymbol{dx}^* \leqq \boldsymbol{dx}^*_\varepsilon + \varepsilon\delta_s < \boldsymbol{dx}^*_\varepsilon + 1$. This completes the proof.

We construct a polytope $P$ satisfying $X(\lceil \boldsymbol{d\bar{x}}_\varepsilon - 1 \rceil) \subseteqq P$ for some $\bar{\boldsymbol{x}}_\varepsilon \in X \backslash \operatorname{int} \bar{G}_\varepsilon$. Let $\boldsymbol{v}^*$ be a vertex minimizing $\bar{g}(\boldsymbol{v})$ over $P_V$ and $\varepsilon' = \bar{g}(\boldsymbol{v}^*)$. For any $\boldsymbol{x} \in P$ we have $\bar{g}(\boldsymbol{x}) \geqq \bar{g}(\boldsymbol{v}^*)$, i.e., $0 \leqq \bar{g}(\boldsymbol{x}) - \bar{g}(\boldsymbol{v}^*) = \bar{g}(\boldsymbol{x}) - \varepsilon'$, and hence $P \subseteqq \bar{G}_{\varepsilon'}$. This implies that $X(\lceil \boldsymbol{d\bar{x}}_\varepsilon - 1 \rceil) \subseteqq \bar{G}_{\varepsilon'}$. Therefore if $\varepsilon' > 0$ then the optimal value of $(mmF)$ is obtained by Theorem 4.6.

### 4.2. Local search

For $\boldsymbol{v} \in X_M \cap X_V$, we define the set of efficient vertices linked to $\boldsymbol{v}$ by an edge as

$$\begin{aligned} N_M(\boldsymbol{v}) &= \{\, \boldsymbol{v}' \in X_M \cap X_V \mid [\boldsymbol{v}, \boldsymbol{v}'] \text{ is an edge of } X \,\} \\ &= \{\, \boldsymbol{v}' \in X_V \mid [\boldsymbol{v}, \boldsymbol{v}'] \text{ is an edge of } X \text{ and } g(\boldsymbol{v}') \leqq 0 \,\}. \end{aligned} \tag{4.6}$$

Whenever we find a feasible solution $\boldsymbol{w} \in X_M$, we apply the following Local Search procedure starting with $\boldsymbol{w}$ (LS($\boldsymbol{w}$) for short) for further improvement.

The procedure is described as follows.

/** LS($\boldsymbol{w}$) procedure **/

⟨0⟩ (initialization) If $\boldsymbol{w} \notin X_V$ then find the face $F$ of $X$ containing $\boldsymbol{w}$ in its relative interior and solve $\min\{\, \boldsymbol{dx} \mid \boldsymbol{x} \in F \,\}$ to obtain a vertex $\boldsymbol{v}^0 \in X_M \cap X_V$; otherwise set $\boldsymbol{v}^0 := \boldsymbol{w}$. Set $k := 0$.

$\langle k \rangle$ (iteration $k$) Find a vertex $\boldsymbol{v}^* \in \arg\min\{\, \boldsymbol{dv} \mid \boldsymbol{v} \in N_M(\boldsymbol{v}^k) \,\}$. If $\boldsymbol{dv}^* \geqq \boldsymbol{dv}^k$ then stop, $\boldsymbol{v}^k$ is a local optimal vertex of $(mmF)$. Otherwise set $\boldsymbol{v}^{k+1} := \boldsymbol{v}^*$, $k := k+1$ and go to $\langle k \rangle$.

**Remark 4.7** *If $\boldsymbol{w} \in X_M$, the face $F$ of $X$ containing $\boldsymbol{w}$ in its relative interior is contained in $X_M$ since $X_M$ is a connected union of several faces of $X$.*

### 4.3. Algorithm and its finite convergence

We describe the OA method for $(mmF)$ as follows.

/** OA method for $(mmF)$ **/

$\langle 0 \rangle$ (initialization) Find an initial feasible vertex $\boldsymbol{w}^0 \in X_M \cap X_V$ of $(mmF)$. If $N_M(\boldsymbol{w}^0) = \emptyset$ then stop. ($\boldsymbol{w}^0$ is a unique feasible solution of $(mmF)$). Otherwise, apply the LS($\boldsymbol{w}^0$) procedure to obtain a local optimal vertex $\bar{\boldsymbol{x}}^0 \in X_M \cap X_V$. Solve $\zeta := \max\{\, \boldsymbol{ex} \mid \boldsymbol{x} \in X,\ \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^0 - 1 \,\}$ and construct an initial polytope $P^0 \supseteq X(\boldsymbol{d}\bar{\boldsymbol{x}}^0 - 1)$ by setting $P^0 := \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{ex} \leqq \zeta,\ \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^0 - 1,\ \boldsymbol{x} \geqq \boldsymbol{0} \,\}$. Compute the vertex set $P_V^0$ of $P^0$. Set $k := 0$.

$\langle k \rangle$ (iteration $k$) Find a vertex $\boldsymbol{v}^k \in \arg\min\{\, \bar{g}(\boldsymbol{v}) \mid \boldsymbol{v} \in P_V^k \,\}$.

$\langle k1 \rangle$ (termination) If either $\boldsymbol{d}\bar{\boldsymbol{x}}^k = 0$ or $\bar{g}(\boldsymbol{v}^k) > 0$ then stop. (The optimal value of $(mmF)$ is $\lceil \boldsymbol{d}\bar{\boldsymbol{x}}^k \rceil$). Otherwise, obtain the point $\boldsymbol{x}_\varepsilon^k \in (\boldsymbol{0}, \boldsymbol{v}^k) \cap \partial \bar{G}_\varepsilon$. (Note that Lemma 4.2 ensures that $(\boldsymbol{0}, \boldsymbol{v}^k) \cap \partial \bar{G}_\varepsilon \neq \emptyset$).

$\langle k2 \rangle$ (update) If $\boldsymbol{x}_\varepsilon^k \in X$, obtain the point $\boldsymbol{x}^k \in (\boldsymbol{0}, \boldsymbol{v}^k] \cap \partial \bar{G}$.

$\langle k2.1 \rangle$ If $\boldsymbol{x}^k \in X$, meaning $\boldsymbol{x}^k \in X_M$, then obtain a local optimal vertex $\boldsymbol{z}^k \in X_M \cap X_V$ by applying the LS($\boldsymbol{x}^k$) procedure, and further obtain the point $\boldsymbol{z}_\varepsilon^k \in (\boldsymbol{0}, \boldsymbol{z}^k) \cap \partial \bar{G}_\varepsilon$. Set $\bar{\boldsymbol{x}}^{k+1} := \boldsymbol{z}_\varepsilon^k$ when $\boldsymbol{dz}_\varepsilon^k < \boldsymbol{dx}_\varepsilon^k$, and $\bar{\boldsymbol{x}}^{k+1} := \boldsymbol{x}_\varepsilon^k$ otherwise. Set $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{dx} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^{k+1} - 1 \rceil \,\}$.

$\langle k2.2 \rangle$ If $\boldsymbol{x}^k \notin X$, meaning $\boldsymbol{x}^k \notin X_M$, then set $\bar{\boldsymbol{x}}^{k+1} := \boldsymbol{x}_\varepsilon^k$ and $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{dx} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^{k+1} - 1 \rceil,\ l(\boldsymbol{x}) \leqq 0 \,\}$ with an appropriately chosen affine function $l : \mathbb{R}^n \to \mathbb{R}$. (see Remark 4.8)

$\langle k3 \rangle$ If $\boldsymbol{x}_\varepsilon^k \notin X$ then set $\bar{\boldsymbol{x}}^{k+1} := \bar{\boldsymbol{x}}^k$ and $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid l(\boldsymbol{x}) \leqq 0 \,\}$ with an appropriately chosen affine function $l : \mathbb{R}^n \to \mathbb{R}$. (see Remark 4.8)

$\langle k4 \rangle$ Compute the vertex set $P_V^{k+1}$ of $P^{k+1}$. Set $k := k+1$ and go to $\langle k \rangle$.

**Remark 4.8** *The inequality $l(\boldsymbol{x}) \leqq 0$ in Step k2.2 and Step k3 is given by one of the inequalities $\pm A\boldsymbol{x} \leqq 0$ and $\boldsymbol{x} \leqq \boldsymbol{c}$ not satisfied by the point $\boldsymbol{v}^k$, i.e.,*

*(i) $l(\boldsymbol{x}) = \boldsymbol{e}^j\boldsymbol{x} - c_j$ for some $j \in \{1, \ldots, n\}$ such that $v_j^k > c_j$, or*

*(ii) $l(\boldsymbol{x}) = sgn(\boldsymbol{a}^i\boldsymbol{v}^k)\boldsymbol{a}^i\boldsymbol{x}$ for some $i \in \{1, \ldots, m\}$ such that $\boldsymbol{a}^i\boldsymbol{v}^k \neq 0$, where $\boldsymbol{a}^i$ is the $i$th row of $A$, and*

$$sgn(\alpha) = \begin{cases} +1 & when\ \alpha > 0 \\ -1 & when\ \alpha < 0. \end{cases}$$

**Lemma 4.9** *Let $\boldsymbol{z}^k$ be a local optimal vertex obtained by applying the LS($\boldsymbol{x}^k$) procedure starting with $\boldsymbol{x}^k$ in Step k2.1 at iteration $k$, and suppose $\boldsymbol{dz}^k > 0$. Then $\boldsymbol{dz}^{k'} < \boldsymbol{dz}^k$ for iteration $k'$ such that $k' > k$.*

**Proof:** By the construction of $P^{k'}$ we have $P^{k'} \subseteqq \{\, \boldsymbol{x} \mid \boldsymbol{dx} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^{k'} - 1 \rceil \,\}$. Since $\boldsymbol{x}^{k'} \in (0, \boldsymbol{v}^{k'}] \subseteqq P^{k'}$ and $\boldsymbol{z}^{k'}$ is obtained by LS($\boldsymbol{x}^{k'}$), we have

$$\boldsymbol{dz}^{k'} \leqq \boldsymbol{dx}^{k'} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^{k'} - 1 \rceil.$$

Since we assume that $\boldsymbol{dz}^k > 0$, we have $0 < \boldsymbol{dz}^k_\varepsilon < \boldsymbol{dz}^k$ by the choice of $\boldsymbol{z}^k_\varepsilon$. Therefore in Step $k$2.1

$$\lceil \boldsymbol{d}\bar{\boldsymbol{x}}^{k'} - 1 \rceil < \boldsymbol{d}\bar{\boldsymbol{x}}^{k'} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^{k'-1} \leqq \cdots \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^{k+1} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^{k} = \min\{\boldsymbol{dx}^k_\varepsilon, \boldsymbol{dz}^k_\varepsilon\} < \boldsymbol{dz}^k.$$

Combining the two inequalities yields the desired result.

**Theorem 4.10** *The OA method for* $(mmF)$ *computes the optimal value of* $(mmF)$ *after finitely many iterations.*

**Proof:** (correctness) If $N_M(\boldsymbol{w}^0) = \emptyset$ at the initialization step, we can conclude from the connectedness of $X_M$ that $\boldsymbol{w}^0$ is a unique feasible solution of $(mmF)$ and hence solves the problem. When the algorithm terminates in Step $k$1, the optimal value of $(mmF)$ is equal either to zero by Assumption 1.2 (iii), or to $\lceil \boldsymbol{d}\bar{\boldsymbol{x}}^k \rceil$ by Theorem 4.6. So the optimal value is obtained whenever the algorithm terminates.

We suppose that the algorithm has not yet terminated at iteration $k$, i.e., $\boldsymbol{d}\bar{\boldsymbol{x}}^k > 0$ and $\bar{g}(\boldsymbol{v}^k) \leqq 0$, and show that each step of the algorithm can be executed. Lemma 4.2 ensures that there are points $\boldsymbol{x}^k_\varepsilon \in (\boldsymbol{0}, \boldsymbol{v}^k) \cap \partial\bar{G}_\varepsilon$ and $\boldsymbol{z}^k_\varepsilon \in (\boldsymbol{0}, \boldsymbol{z}^k) \cap \partial\bar{G}_\varepsilon$, in Step $k$1 and Step $k$2.1, respectively. Since $\boldsymbol{0} \in \operatorname{int}\bar{G}$ and $\boldsymbol{v}^k \notin \operatorname{int}\bar{G}$, there also exists a point $\boldsymbol{x}^k \in (\boldsymbol{0}, \boldsymbol{v}^k] \cap \partial\bar{G}$. When $\boldsymbol{x}^k_\varepsilon \notin X$, clearly $\boldsymbol{v}^k \notin X$, and hence the function $l : \mathbb{R}^n \to \mathbb{R}$ of Remark 4.8 can be found in Step $k$3. To show that the function $l : \mathbb{R}^n \to \mathbb{R}$ can be found in Step $k$2.2 we have only to show that $\boldsymbol{v}^k \notin X$. Suppose the contrary, i.e., $\boldsymbol{v}^k \in X$. By the assumption that $\bar{g}(\boldsymbol{v}^k) \leqq 0$ and the fact that $\bar{g}(\boldsymbol{x}) \geqq 0$ for all $\boldsymbol{x} \in X$, we have $\bar{g}(\boldsymbol{v}^k) = 0$, i.e., $\boldsymbol{v}^k \in \partial\bar{G}$, and hence $\boldsymbol{v}^k \in X \backslash \operatorname{int}\bar{G} = X_M$. This implies $\boldsymbol{x}^k = \boldsymbol{v}^k \in X_M$ by the choice of $\boldsymbol{x}^k$, which contradicts that we are currently at iteration $k$2.2. Therefore we have seen that $\boldsymbol{v}^k \notin X$ in Step $k$2.2.

(finiteness) Suppose that the polytope $P^\nu$ at iteration $\nu$ meets the condition

$$P^\nu \subseteqq X \text{ and } P^\nu \cap X_M = \emptyset, \tag{4.7}$$

after updated either in Step $k$2 or in Step $k$3, and consider the next iteration. Since $\boldsymbol{v}^\nu$ is chosen from $P^\nu$, we have $\boldsymbol{v}^\nu \in X \backslash X_M$ and consequently $\bar{g}(\boldsymbol{v}^\nu) > 0$. Then the algorithm stops at Step $k$1. Therefore we have only to prove that (4.7) holds within a finite number of iterations. Note first that both Step $k$2.2 and Step $k$3 are done only a finite number of times. By the definition of affine function $l$, the polytope, say $P^{k'}$, when $2m + n$ cuts $l(\boldsymbol{x}) \leqq 0$ have been added to the initial polytope $P^0$, is contained in $X$. Therefore $\boldsymbol{v}^{k'}$ as well as $\boldsymbol{x}^{k'}_\varepsilon$ lies in $X$, and hence we obtain that $\boldsymbol{x}^{k'} = \boldsymbol{v}^{k'} \in X_M$. Therefore we come to neither Step $k$2.2 nor Step $k$3 after iteration $k'$. Namely, Step $k$2.1 followed by Step $k$4 repeats itself after iteration $k'$. For iteration $k$ with $k \geqq k' + 1$, we have $\boldsymbol{x}^k \in X_M$. We then locate $\boldsymbol{z}^k \in X_M \cap X_V$ by applying the LS($\boldsymbol{x}^k$) procedure and obtain a point $\boldsymbol{z}^k_\varepsilon \in (\boldsymbol{0}, \boldsymbol{z}^k) \cap \partial\bar{G}_\varepsilon$. If $\boldsymbol{dz}^k = 0$ for some $k \geqq k' + 1$ then we set $\bar{\boldsymbol{x}}^{k+1} := \boldsymbol{z}^k_\varepsilon$ since $\boldsymbol{dz}^k_\varepsilon = \boldsymbol{dz}^k = 0 \leqq \boldsymbol{dx}^k_\varepsilon$. Then the incumbent value $\boldsymbol{d}\bar{\boldsymbol{x}}^{k+1}$ becomes zero, and hence the algorithm stops in Step $k$1 at the next iteration. If $\boldsymbol{dz}^k > 0$ for all $k$ with $k \geqq k' + 1$, we see that $\boldsymbol{dz}^{k+1} < \boldsymbol{dz}^k$ for all $k \geqq k' + 1$ by Lemma 4.9. Since $|X_M \cap X_V|$ is finite, we eventually obtain a point $\boldsymbol{z}^{\nu-1} \in X_M \cap X_V$ such that $\boldsymbol{dz}^{\nu-1} \leqq \boldsymbol{dz}$ for all $\boldsymbol{z} \in X_M \cap X_V$. Also we have $\boldsymbol{dz}^{\nu-1}_\varepsilon < \boldsymbol{dz}^{\nu-1}$ by the choice of $\boldsymbol{z}^{\nu-1}_\varepsilon$.

The polytope $P^\nu$ is then defined as $P^\nu := P^{\nu-1} \cap \{\, \boldsymbol{x} \mid \boldsymbol{dx} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^\nu - 1 \rceil \,\}$, where $\bar{\boldsymbol{x}}^\nu$ satisfies that $\boldsymbol{d}\bar{\boldsymbol{x}}^\nu = \min\{\, \boldsymbol{dx}_\varepsilon^{\nu-1}, \boldsymbol{dz}_\varepsilon^{\nu-1} \,\} < \boldsymbol{dz}^{\nu-1}$. This means that $P^\nu \cap (X_M \cap X_V) = \emptyset$. Since $X_M$ is a connected union of several faces of $X$, we see that $\boldsymbol{dz}^{\nu-1} \leqq \boldsymbol{dx}$ for all $\boldsymbol{x} \in X_M$. Therefore we conclude that $P^\nu \cap X_M = \emptyset$.

We illustrate the OA method for $(mmF)$ in Figure 4. We obtain a local optimal vertex $\bar{\boldsymbol{x}}^0 \in X_M \cap X_V$ and set up an initial polytope $P^0$ (See (a)). It is easy to enumerate all vertices of $P^0$ because this polytope is simply given by $P^0 := \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{ex} \leqq \zeta,\ \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^0 - 1,\ \boldsymbol{x} \geqq \boldsymbol{0} \,\}$. We obtain a point $\boldsymbol{v}^0$ minimizing $\bar{g}(\boldsymbol{v})$ over $P_V^0$, and a point $\boldsymbol{x}_\varepsilon^0 \in (\boldsymbol{0}, \boldsymbol{v}^0) \cap \partial \bar{G}_\varepsilon$ (See (b)). We see that $\boldsymbol{x}_\varepsilon^0 \notin X$, and hence set $\bar{\boldsymbol{x}}^1 := \bar{\boldsymbol{x}}^0$ and cut off $\boldsymbol{v}^0$ from $P^0$ (See (c)). Using $P_V^0$, we compute $P_V^1$. In the next iteration, we obtain points $\boldsymbol{v}^1, \boldsymbol{x}_\varepsilon^1$ and $\boldsymbol{x}^1$. Since $\boldsymbol{x}^1 \in X_M$, we apply the LS($\boldsymbol{x}^1$) procedure to obtain a point $\boldsymbol{z}^1$, and obtain a point $\boldsymbol{z}_\varepsilon^1 \in (\boldsymbol{0}, \boldsymbol{z}^1) \cap \partial \bar{G}_\varepsilon$ (See (d)). We find a point $\boldsymbol{z}_\varepsilon^1 \in X \backslash \operatorname{int} \bar{G}_\varepsilon$ such that $\boldsymbol{dz}_\varepsilon^1 < \boldsymbol{dx}_\varepsilon^1$. We then set $\bar{\boldsymbol{x}}^2 := \boldsymbol{z}_\varepsilon^1$ and construct $P^2$ by adding the cut $\boldsymbol{dx} \leqq \lceil \boldsymbol{d}\bar{\boldsymbol{x}}^2 - 1 \rceil$ to $P^1$ (See (e)). Because $\bar{g}(\boldsymbol{v}) > 0$ for all vertices $\boldsymbol{v}$ of $P^2$ (See (f)), we terminate at the next iteration with the optimal value $\lceil \boldsymbol{d}\bar{\boldsymbol{x}}^2 \rceil$.

### 4.4. Approximation algorithm for non-integral capacity

In this paper as well as in other studies on $(mmF)$, we assume that each capacity is integer (See Assumption 1.2 (i)). In this subsection we remove this assumption and explain a modification of our algorithm to find an approximate solution. When a network does not meet Assumption 1.2 (i), the feasible region $X$ does not enjoy the integrality property, which played a crucial role in obtaining the optimal value. Then we need to modify the OA method for $(mmF)$ so that the algorithm provides a solution $\bar{\boldsymbol{x}} \in X$ such that $\boldsymbol{d}\bar{\boldsymbol{x}} \leqq \boldsymbol{dx}^* \leqq \boldsymbol{d}\bar{\boldsymbol{x}} + \epsilon$ for an optimal solution $\boldsymbol{x}^*$ of $(mmF)$ and for a fixed tolerance $\epsilon > 0$. Fortunately this modification is easily done as follows.

We set $\varepsilon$ as $\varepsilon := \epsilon/\delta_s$ to assure that $\boldsymbol{dx}_\varepsilon^* \leqq \boldsymbol{dx}^* \leqq \boldsymbol{dx}_\varepsilon^* + \epsilon$ of Lemma 4.3. Using an initial incumbent solution $\bar{\boldsymbol{x}}^0 \in X_M$, we construct the initial polytope $P^0$ as $P^0 := \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{ex} \leqq \zeta,\ \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^0 - \epsilon,\ \boldsymbol{x} \geqq \boldsymbol{0} \,\}$, where $\zeta := \max\{\, \boldsymbol{ex} \mid \boldsymbol{x} \in X,\ \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^0 - \epsilon \,\}$, so that we have $P^0 \supseteq X(\boldsymbol{d}\bar{\boldsymbol{x}}^0 - \epsilon)$. Also when we cut the current polytope $P^k$ by using new incumbent solution $\bar{\boldsymbol{x}}^{k+1}$, we set $P^{k+1} := P^k \cap \{\, \boldsymbol{x} \in \mathbb{R}^n \mid \boldsymbol{dx} \leqq \boldsymbol{d}\bar{\boldsymbol{x}}^{k+1} - \epsilon \,\}$. It is readily seen that the modified algorithm also terminates after finitely many iterations.

## 5. Further Works

The OA method provides the optimal value but may fail to provide an optimal solution of $(mmF)$. Finding an optimal solution is still a hard task even when its value is at hand. The following lemma affords a clue to the way of finding an optimal solution.

**Lemma 5.1** *Let $\varepsilon \in (0, 1)$, $\boldsymbol{x}_\varepsilon^*$ be an $\varepsilon$-optimal solution of $(mmF)$ and*

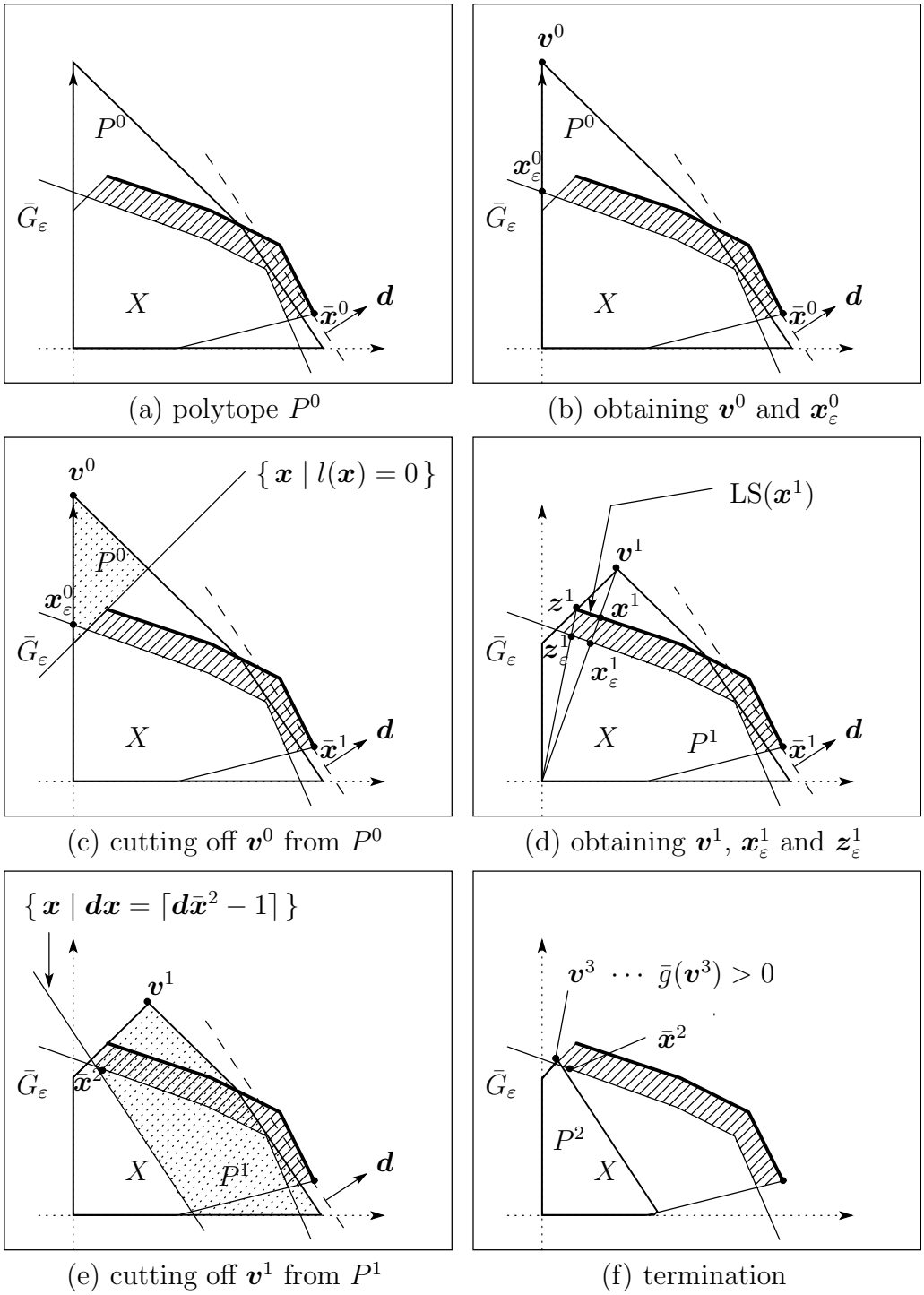
$$\Delta_\varepsilon = \{\, \boldsymbol{\xi} \in \mathbb{R}^n \mid A\boldsymbol{\xi} = \boldsymbol{0},\ \boldsymbol{\xi} \geqq \boldsymbol{0},\ \boldsymbol{e\xi} \leqq \varepsilon \,\}. \tag{5.1}$$

*If $\boldsymbol{x}_\varepsilon^* + \bar{\boldsymbol{\xi}}$ is an integer vector for some $\bar{\boldsymbol{\xi}} \in \Delta_\varepsilon$ then $\boldsymbol{x}_\varepsilon^* + \bar{\boldsymbol{\xi}}$ is an optimal solution of $(mmF)$.*

**Proof:** (feasibility) Let $\boldsymbol{x}^* = \boldsymbol{x}_\varepsilon^* + \bar{\boldsymbol{\xi}}$ and $\boldsymbol{y}^*$ be an optimal solution of $\max\{\, \boldsymbol{ey} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x}^* \,\}$. Note that

$$\boldsymbol{ex}^* \text{ is integer}, \tag{5.2}$$

$$\boldsymbol{ex}_\varepsilon^* \leqq \boldsymbol{ex}^* \leqq \boldsymbol{ey}^*, \tag{5.3}$$




(a) polytope $P^0$ (b) obtaining $\boldsymbol{v}^0$ and $\boldsymbol{x}^0_\varepsilon$

(c) cutting off $\boldsymbol{v}^0$ from $P^0$ (d) obtaining $\boldsymbol{v}^1$, $\boldsymbol{x}^1_\varepsilon$ and $\boldsymbol{z}^1_\varepsilon$

(e) cutting off $\boldsymbol{v}^1$ from $P^1$ (f) termination

Figure 4: An example of the OA method for $(mmF)$

and also

$$\boldsymbol{e}\boldsymbol{y}^* \text{ is integer,} \tag{5.4}$$

since $X \cap \{\, \boldsymbol{y} \mid \boldsymbol{y} \geqq \boldsymbol{x}^* \,\}$ inherits the integrality property of $X$.

Suppose we have the inequality

$$\boldsymbol{e}\boldsymbol{y}^* < \boldsymbol{e}\boldsymbol{x}^*_\varepsilon + 1. \tag{5.5}$$

Then by (5.3) and (5.5) together with the integrality of $\boldsymbol{e}\boldsymbol{x}^*$ and $\boldsymbol{e}\boldsymbol{y}^*$ we see that $\boldsymbol{e}\boldsymbol{x}^* = \boldsymbol{e}\boldsymbol{y}^*$. Hence $\bar{g}(\boldsymbol{x}^*) = \boldsymbol{e}\boldsymbol{y}^* - \boldsymbol{e}\boldsymbol{x}^* = 0$, meaning that $\boldsymbol{x}^* \in X_M$.

The inequality (5.5) is seen as follows. Let $\boldsymbol{y}^*_\varepsilon$ be an optimal solution of $\max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x}^*_\varepsilon \,\}$, and let $\boldsymbol{\xi}^* = \boldsymbol{y}^*_\varepsilon - \boldsymbol{x}^*_\varepsilon$. We see that $A\boldsymbol{\xi}^* = A\boldsymbol{y}^*_\varepsilon - A\boldsymbol{x}^*_\varepsilon = \boldsymbol{0}$, $\boldsymbol{\xi}^* \geqq \boldsymbol{0}$ and $\boldsymbol{e}\boldsymbol{\xi}^* = \boldsymbol{e}(\boldsymbol{y}^*_\varepsilon - \boldsymbol{x}^*_\varepsilon) = g(\boldsymbol{x}^*_\varepsilon) \leqq \varepsilon$, and hence $\boldsymbol{\xi}^* \in \Delta_\varepsilon$. Then $\boldsymbol{e}\boldsymbol{y}^*_\varepsilon = \boldsymbol{e}(\boldsymbol{x}^*_\varepsilon + \boldsymbol{\xi}^*) \leqq \boldsymbol{e}\boldsymbol{x}^*_\varepsilon + \varepsilon < \boldsymbol{e}\boldsymbol{x}^*_\varepsilon + 1$. The point $\boldsymbol{y}^*$ is a feasible solution of $\max\{\, \boldsymbol{e}\boldsymbol{y} \mid \boldsymbol{y} \in X,\ \boldsymbol{y} \geqq \boldsymbol{x}^*_\varepsilon \,\}$, since $\boldsymbol{y}^* \in X$ and $\boldsymbol{y}^* \geqq \boldsymbol{x}^* = \boldsymbol{x}^*_\varepsilon + \bar{\boldsymbol{\xi}} \geqq \boldsymbol{x}^*_\varepsilon$. Then we see that $\boldsymbol{e}(\boldsymbol{y}^*_\varepsilon - \boldsymbol{y}^*) \geqq 0$, and hence $\boldsymbol{e}\boldsymbol{y}^* \leqq \boldsymbol{e}\boldsymbol{y}^*_\varepsilon < \boldsymbol{e}\boldsymbol{x}^*_\varepsilon + 1$.
(optimality) We show that $\boldsymbol{x}^*$ solves $(mmF)$. Clearly, $\boldsymbol{d}\bar{\boldsymbol{\xi}} \leqq \boldsymbol{e}\bar{\boldsymbol{\xi}}$ since $\boldsymbol{d} \leqq \boldsymbol{e}$ and $\bar{\boldsymbol{\xi}} \geqq \boldsymbol{0}$. For any $\boldsymbol{v} \in X_M \cap X_V$, we see that $g(\boldsymbol{v}) \leqq \varepsilon$, and $\boldsymbol{v}$ is an integer vector by the integrality property of $X$. Since $\boldsymbol{x}^*_\varepsilon = \boldsymbol{x}^* - \bar{\boldsymbol{\xi}}$ is an optimal solution of $(mmF_\varepsilon)$, we have $\boldsymbol{d}\boldsymbol{x}^*_\varepsilon \leqq \boldsymbol{d}\boldsymbol{x}$ for all $\boldsymbol{x} \in X$ such that $g(\boldsymbol{x}) < \varepsilon$, and hence $\boldsymbol{d}\boldsymbol{x}^*_\varepsilon \leqq \boldsymbol{d}\boldsymbol{v}$ for all $\boldsymbol{v} \in X_M \cap X_V$. Then we see that $\boldsymbol{d}\boldsymbol{x}^* = \boldsymbol{d}\boldsymbol{x}^*_\varepsilon + \boldsymbol{d}\bar{\boldsymbol{\xi}} \leqq \boldsymbol{d}\boldsymbol{v} + \boldsymbol{e}\bar{\boldsymbol{\xi}} < \boldsymbol{d}\boldsymbol{v} + 1$. Since both $\boldsymbol{x}^*$ and $\boldsymbol{v}$ are integer vectors, we have $\boldsymbol{d}\boldsymbol{x}^* \leqq \boldsymbol{d}\boldsymbol{v}$ for all $\boldsymbol{v} \in X_M \cap X_V$.

Since the dimension of $X$ is $n-m$, it would be desirable to reduce the number of variables that we have to handle in the algorithm. Yamamoto-Zenke explains an idea in [34], with the proviso that it does not work generally. Computational experiment should be carried out to improve the efficiency of the algorithm in this paper.

## Appendix
## Proof of Theorem 2.1

**Proof:** $(i)$ The extended gap function $\bar{g}(\boldsymbol{x})$ of (2.2) is given by the optimal value of

$$(\overline{P_G(\boldsymbol{x})}) \qquad \left| \begin{array}{ll} \max\limits_{\boldsymbol{y},\boldsymbol{t}} & \boldsymbol{e}\boldsymbol{y} - \boldsymbol{e}\boldsymbol{x} - \bar{\boldsymbol{\beta}}\boldsymbol{t} \\ \text{s.t.} & A\boldsymbol{y} = \boldsymbol{0},\ \boldsymbol{0} \leqq \boldsymbol{y} \leqq \boldsymbol{c}, \\ & \boldsymbol{y} + \boldsymbol{t} \geqq \boldsymbol{x},\ \boldsymbol{t} \geqq \boldsymbol{0}, \end{array} \right.$$

whose dual problem is

$$(\overline{D_G(\boldsymbol{x})}) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{\pi},\boldsymbol{\alpha},\boldsymbol{\beta}} & \boldsymbol{\alpha}\boldsymbol{c} - \boldsymbol{\beta}\boldsymbol{x} - \boldsymbol{e}\boldsymbol{x} \\ \text{s.t.} & (\boldsymbol{\pi}, \boldsymbol{\alpha}, \boldsymbol{\beta}) \in \bar{\Omega}, \end{array} \right.$$

where

$$\bar{\Omega} = \{\, (\boldsymbol{\pi}, \boldsymbol{\alpha}, \boldsymbol{\beta}) \in \mathbb{R}_{m+2n} \mid \boldsymbol{\pi}A + \boldsymbol{\alpha} - \boldsymbol{\beta} \geqq \boldsymbol{e},\ \boldsymbol{\alpha} \geqq \boldsymbol{0},\ \boldsymbol{0} \leqq \boldsymbol{\beta} \leqq \bar{\boldsymbol{\beta}} \,\}.$$

For any $\boldsymbol{x} \in \mathbb{R}^n$, $(\overline{D_G(\boldsymbol{x})})$ is feasible, e.g., take $\boldsymbol{\pi} = \boldsymbol{\beta} = \boldsymbol{0}$ and $\boldsymbol{\alpha} \geqq \boldsymbol{e}$, and has the finite optimal value. By the duality theorem of linear programming, for any $\boldsymbol{x} \in \mathbb{R}^n$, $(\overline{P_G(\boldsymbol{x})})$ also has the finite optimal value, and hence $\bar{g}(\boldsymbol{x})$ is finite for any $\boldsymbol{x} \in \mathbb{R}^n$.

$(ii)$ Let $\boldsymbol{x}$ be a point in the domain of $g$. By the similar observation in $(i)$, the gap function $g(\boldsymbol{x})$ of (2.1) is given by the optimal value of

$$(D_G(\boldsymbol{x})) \qquad \left| \begin{array}{ll} \min\limits_{\boldsymbol{\pi},\boldsymbol{\alpha},\boldsymbol{\beta}} & \boldsymbol{\alpha}\boldsymbol{c} - \boldsymbol{\beta}\boldsymbol{x} - \boldsymbol{e}\boldsymbol{x} \\ \text{s.t.} & (\boldsymbol{\pi},\boldsymbol{\alpha},\boldsymbol{\beta}) \in \Omega, \end{array} \right.$$

where

$$\Omega = \{\, (\boldsymbol{\pi},\boldsymbol{\alpha},\boldsymbol{\beta}) \in \mathbb{R}_{m+2n} \mid \boldsymbol{\pi}A + \boldsymbol{\alpha} - \boldsymbol{\beta} \geqq \boldsymbol{e},\ \boldsymbol{\alpha},\boldsymbol{\beta} \geqq \boldsymbol{0} \,\}.$$

If $\bar{\boldsymbol{\beta}}$ is so large that every vertex $(\boldsymbol{\pi}_v,\boldsymbol{\alpha}_v,\boldsymbol{\beta}_v)$ of $\Omega$ satisfies $\boldsymbol{\beta}_v \leqq \bar{\boldsymbol{\beta}}$ then $\bar{\Omega}$ contains every vertex of $\Omega$, and hence we have $\bar{g}(\boldsymbol{x}) = g(\boldsymbol{x})$ by the theory of linear programming. Replacing $\boldsymbol{\pi}$ by $\boldsymbol{\pi}^1 - \boldsymbol{\pi}^2$ with $\boldsymbol{\pi}^1, \boldsymbol{\pi}^2 \geqq \boldsymbol{0}$ and introducing a slack variable vector $\boldsymbol{\gamma} \geqq \boldsymbol{0}$, we rewrite $\Omega$ as

$$\Omega = \left\{ \left[ \begin{array}{c} (\boldsymbol{\pi}^1)^\top \\ (\boldsymbol{\pi}^2)^\top \\ \boldsymbol{\alpha}^\top \\ \boldsymbol{\beta}^\top \\ \boldsymbol{\gamma}^\top \end{array} \right] \middle| \begin{array}{l} \begin{bmatrix} A^\top & -A^\top & I & -I & -I \end{bmatrix} \left[ \begin{array}{c} (\boldsymbol{\pi}^1)^\top \\ (\boldsymbol{\pi}^2)^\top \\ \boldsymbol{\alpha}^\top \\ \boldsymbol{\beta}^\top \\ \boldsymbol{\gamma}^\top \end{array} \right] = \boldsymbol{1}, \\ \left[ \begin{array}{c} (\boldsymbol{\pi}^1)^\top \\ (\boldsymbol{\pi}^2)^\top \\ \boldsymbol{\alpha}^\top \\ \boldsymbol{\beta}^\top \\ \boldsymbol{\gamma}^\top \end{array} \right] \geqq \boldsymbol{0} \end{array} \right\}.$$

Let $\boldsymbol{v}$ be a vertex of $\Omega$. Then it is a basic solution of the system defining $\Omega$, i.e., $\boldsymbol{v} = (\boldsymbol{w}^B, \boldsymbol{w}^N) = (B^{-1}\boldsymbol{1}, \boldsymbol{0})$ for some nonsingular $n \times n$ submatrix $B$ of $\begin{bmatrix} A^\top & -A^\top & I & -I & -I \end{bmatrix}$. Since the incidence matrix $A$ is totally unimodular, so is $\begin{bmatrix} A^\top & -A^\top & I & -I & -I \end{bmatrix}$. Therefore the matrix $B^{-1}$ is composed of $-1$, 0 and $+1$, and hence $B^{-1}\boldsymbol{1} \leqq n\boldsymbol{1}$. This completes the proof.

**Proof of Theorem 3.1**

**Proof:** Suppose that $\bar{\boldsymbol{x}} \in D \backslash \mathrm{int}H$ is not an optimal solution of $(CDC)$, i.e., there exists $\boldsymbol{y} \in D \backslash \mathrm{int}H$ such that $\boldsymbol{p}\boldsymbol{y} < \boldsymbol{p}\bar{\boldsymbol{x}}$. Clearly, $\boldsymbol{y} \in D(\boldsymbol{p}\bar{\boldsymbol{x}})$ and $h(\boldsymbol{y}) \geqq 0$. If $h(\boldsymbol{y}) > 0$ then $\boldsymbol{y}$ is not contained in $H$, and hence $\boldsymbol{y} \in D(\boldsymbol{p}\bar{\boldsymbol{x}}) \backslash H$. By the regularity assumption, if $h(\boldsymbol{y}) = 0$, i.e., $\boldsymbol{y} \in \partial H$ then we can take $\boldsymbol{y}' \in N_\delta(\boldsymbol{y}) \cap D$ such that $\boldsymbol{p}\boldsymbol{y}' < \boldsymbol{p}\bar{\boldsymbol{x}}$ and $h(\boldsymbol{y}') > 0$ for a sufficiently small $\delta > 0$, where $N_\delta(\boldsymbol{y}) = \{\, \boldsymbol{y}' \in \mathbb{R}^n \mid \|\boldsymbol{y}' - \boldsymbol{y}\| < \delta \,\}$, and hence we see that $\boldsymbol{y}' \in D(\boldsymbol{p}\bar{\boldsymbol{x}}) \backslash H$.

**Acknowledgement**

The authors thank to anonymous referees for many valuable comments and suggestions. This research is partially supported by the MEXT Grant-in-Aid (B),18310101, 2007. The first author is grateful for the support by the Alexander von Humboldt Foundation, Germany.

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Yoshitsugu Yamamoto
Graduate School of Systems and Information Engineering
University of Tsukuba
Tsukuba, Ibaraki 305-8573
E-mail: yamamoto@sk.tsukuba.ac.jp