Two-Way Gaussian Networks with a Jammer and Decentralized Control

Curtis McDonald, Fady Alajaji and Serdar Yüksel

Abstract—We consider the existence and structure of (zero-sum game) Nash equilibria for a two-way network in the presence of an intelligent jammer capable of tapping the channel signals in both directions. We assume that the source and channel noise signals are all Gaussian random variables, where the source signals are independent of each other while the noise signals are arbitrarily correlated. We show that for fixed jammer power constraints, a Nash equilibrium exists with respect to the system wide mean square error (MSE), and equilibrium jamming policies are always Gaussian. We derive the equilibrium policies in closed form under various system parameters. Finally for two system scenarios, we analytically determine the optimal power allocation levels the jammer can deploy in each channel link, when allowed to operate under an overall power constraint.

Index Terms—Decentralized signalling and estimation, two-way Gaussian networks, source-channel coding, game theory, information theory.

I. INTRODUCTION

Decentralized control and estimation problems involve decision makers who aim for a common goal, but who only have local information. Networked control systems are those involving multiple decision makers connected over communication channels. In this paper, we consider a setup where two decision makers wish to encode information to each other over a shared medium.

The question of how a communication system performs in the worst case scenario is one of vital importance, for if one can guarantee a suitable operation in the least favourable case then the system will operate at least as well in all other cases. In determining the worst case faced by a system, it is useful to personify the noise as an intelligent “jammer” actively working to steer the system towards a deleterious behaviour. Furthermore, in many scenarios, there may indeed be a malicious agent who intends to suppress communication and control in a decentralized system. These setups motivate the use of game theoretic methods in communications and networked control applications.

One of the earliest works to consider such a problem is by Başar [1], where the transmission of a Gaussian source over a one-way additive Gaussian noise channel is investigated in the presence of an intelligent jammer. Başar establishes complete solutions to a zero-sum formulation, proving the optimality of linear/affine/Gaussian policies under various setups and assumptions. Further relevant studies include [2], [3] and [4].

The problem stated above focuses on one-way (or point-to-point) communications. However, modern communication systems are increasingly decentralized and multi-terminal for better utilization of limited channel resources. The simplest networked system is the two-way channel first introduced by Shannon in [5].

In this paper, we consider the case of a Gaussian two-way source-channel system with an intelligent jammer. In such a system, each user transmits and receives signals simultaneously (i.e., the system is in full duplex mode). This allows each encoder, when sending a codeword vector, to interactively adapt the current input to its own message and all previously received signals, hence rendering it more resilient to channel noise. The reader is referred to [5]-[15] and the references therein for coding theorems and channel capacity results for two-way channels. In particular, it is shown in [15] that zero-delay linear (scalar) coding and decoding achieve the Shannon theoretical MSE distortion limit for the two-way Gaussian system with independent sources and are hence optimal. We herein focus on the same scalar two-way Gaussian system in the presence of a jammer capable of accessing the channel’s signals in both directions. Since all the system’s respective (Gaussian) random variables are temporally uncorrelated and identical distributed, our setting is indeed a one shot MSE optimization problem.

The identification of optimal linear/affine/Gaussian policies for decentralized systems involving Gaussian variables under quadratic criteria (such as in linear quadratic control (LQG)) is a recurring problem in stochastic networked control and estimation theory. These certainly include the classical problem of communicating a scalar Gaussian source over a Gaussian channel [17]-[20], where linear encoding policies are optimal, which also extends to the vector case under certain conditions [21]-[28]. For non-classical decentralized stochastic control problems, Witsenhausen’s counterexample [29] shows that optimal policies for LQG systems may be non-linear and this suboptimality also extends to various decentralized LQG problems as reviewed in [16, Chap. 11] and [30].

For game-theoretic formulations, somewhat surprisingly, optimality and linearity again coincide for a large class of setups: in Witsenhausen’s counterexample, if the first
encoder is viewed as a maximizer and the decoder is a minimizer, then affine policies may be optimal [31]-[32], where similar to the related results in the literature, the ordered interchangeability property of saddle points in zero-sum games [37, Corollary 2.1 and Property 4.1, p. 177] is a crucial tool in the analysis.

For a setup similar to [1], but with the game being played only between an encoder and a jammer (with the decoder being an impartial Bayesian decision maker), it is shown in [33] that the worst additive channel noise is Gaussian and the optimal encoder is linear. This result may be viewed as a Stackelberg extension of the Nash setup given in [1] (for a detailed discussion on the distinction between Nash vs. Stackelberg equilibria in signaling games, see [34], [35], [14]), where the receiver is a follower and the encoder/jammer pair is a leader.

In view of the discussion above, our paper provides further conditions on when affine and Gaussian policies may constitute equilibria for such decentralized quadratic optimization problems. In particular, we show that for a two-way Gaussian scalar networked system with an intelligent jammer, an essentially unique zero-sum Nash equilibrium exists and the equilibrium policies are affine/Gaussian. We derive the closed form of the equilibrium policies under various system parameters. Thus, our paper provides a two-way (and thus a decentralized) generalization, in the sense that there exists a team of encoders/decoders against a single jammer, of the findings of [1] where a single encoder/decoder pair is present against a jammer. We also point out that a problem in which a team of agents plays against another player can lead to subtleties with regard to existence of equilibria (even for finite games) that do not arise when a single agent plays against another one, as demonstrated in [36]. Such a setup is precisely what is studied in our paper. Finally, we note that [7] and [13] consider aspects related to our jamming problem, though in a quite different channel coding context.

The nature of two-way channels adds significant complexity to the problem. The correlation between the noise signals of each channel direction requires special analysis in different situations, and ultimately results in different jamming policies depending on the noise correlation and variance values. Finding the equilibrium jamming policy amounts to solving for the fixed point of a best response function involving multiple variables. Furthermore, we investigate the optimal power allocation the jammer can employ for each channel direction under a given overall budget; this problem has no counterpart in the one-way setup of [1].

The rest of this paper is organized as follows. In Section II, we formulate the problem. In Section III-A, we examine the common setup for the two-way channel noise variables and derive full closed form solutions for the equilibrium policies. In Section III-B, we analyze using a slightly different approach a special “degenerate” case under which the noise variables coincide in each channel direction. We compare the results to previous work and provide a qualitative analysis in Section III-C. In Section III-D, we investigate the optimal power allocation levels when the jammer is allowed to choose its power constraints subject to an overall budget. Two examples are shown in section IV and concluding remarks are drawn in Section V. All proofs are presented in the Appendix.

II. PROBLEM SETUP

Consider two terminals (decision makers) $T_1$ and $T_2$ attempting to concurrently exchange Gaussian independent source signals $U_1$ and $U_2$, respectively, where $U_i \sim \mathcal{N}(0, 1)$ has zero mean and unit variance for $i = 1, 2$, across a two-way additive Gaussian noise channel as depicted in Fig. 1. More specifically, each terminal $T_i$ observes signal $U_i$ and uses transmitter policy $\gamma_i : \mathbb{R} \rightarrow \mathbb{R}$ to generate signal $X_i$, subject to the power constraint

$$E[(\gamma_i(U_i))^2] \leq c_i, \quad i = 1, 2. \quad (1)$$

The two-way channel inputs are $X_1, X_2$ and its outputs are

$$Y_i = X_1 + X_2 + Z_i, \quad i = 1, 2 \quad (2)$$

where $Z_1$ and $Z_2$ are Gaussian random variables (which are independent of $(U_1, U_2)$) with zero mean and covariance matrix

$$\Sigma = \begin{pmatrix} E[Z_1^2] & E[Z_1 Z_2] \\ E[Z_2 Z_1] & E[Z_2^2] \end{pmatrix} = \begin{pmatrix} \zeta_1 & \zeta_{1,2} \\ \zeta_{1,2} & \zeta_2 \end{pmatrix} \quad (3)$$

where $\zeta_{1,2}$ takes values in $(-\zeta_1 \zeta_2, \zeta_1 \zeta_2]$.

We furthermore assume the existence of a third party, the jammer. The latter taps the channel in both directions and captures signals $Y_1$ and $Y_2$; in return, it sends an adversarial signal $\nu_i$ to each terminal $T_i$ using the jamming policy $\nu_i = \beta_i(y_1, y_2)$, $i = 1, 2$, where each $\beta_i$ is in general a random mapping. Let $\mathcal{M}$ denote the set of the pairs $(\mu_1, \mu_2)$ where $\mu_i$ is the probability measure associated with jamming signal $\nu_i$ under the power constraint

$$E[\nu_i^2] \leq k_i, \quad i = 1, 2. \quad (4)$$

Terminal $T_i$ then receives signal $Q_i = Y_i + \nu_i$, which it uses together with side information $X_i$ (i.e., its own signal sent to Terminal $T_j$) to reconstruct $U_j$ via $\hat{U}_j$ under decoding policy $\delta_i : \mathbb{R} \times \mathbb{R} \rightarrow \mathbb{R}, \quad i \neq j, \quad i, j = 1, 2$. We will refer to the channel $T_j \rightarrow T_i$ as channel $i$ throughout the paper.

![Fig. 1: System diagram of a two-way source-channel system with an intelligent jammer.](image-url)
The average MSE of the system is denoted by
\[ R(\gamma_1, \gamma_2, \delta_1, \delta_2, \mu_1, \mu_2) \] and calculated as
\[ \frac{1}{2} \sum_{i=1}^{2} \left( \int_{-\infty}^{\infty} E[(\tilde{U}_i - U_i)^2 | \nu_i] d\mu_i(\nu_i) \right) \] (5)

Let \( \Gamma_1', \Gamma_1'' \) be the set of admissible (as specified above) transmitter and receiver policies for terminal \( T_i, i = 1, 2 \). Naturally, the objective of terminals \( T_1 \) and \( T_2 \) is to choose their encoding/decoding policies so that the system MSE is minimized, while the jammer aims at designing its policies in order to maximize MSE.

**Definition 2.1:** A policy tuple \((\gamma_1, \gamma_2, \delta_1, \delta_2, \mu_1, \mu_2)\) is a Nash equilibrium if

\[ R(\gamma_1^*, \gamma_2^*, \delta_1^*, \delta_2^*, \mu_1^*, \mu_2^*) \leq R(\gamma_1, \gamma_2, \delta_1, \delta_2, \mu_1, \mu_2) \leq R(\gamma_1^*, \gamma_2^*, \delta_1^*, \delta_2^*, \mu_1^*, \mu_2^*) \]

\( \forall \gamma_i \in \Gamma_1', \delta_i \in \Gamma_1'', i = 1, 2, (\mu_1, \mu_2) \in \mathcal{M} \).

We will separately consider a special case of this problem which can be viewed as a *degenerate case*: the case when the same noise variable affects both channel directions; i.e., \( Z_1 = Z_2 \) (almost surely) This yields that \( Y_1 = Y_2 \) and the jammer sees two identical signals. We first consider the non-degenerate case, where the elements of the channel noise covariance matrix \( \Sigma \) are not all identical.

For certain power regions, the problem becomes uninteresting in the sense that the jammer can employ a linear policy \( \beta_i(y_1,y_2) = a_{i,i}y_i + a_{i,j}y_j \) that fully cancels the signal at the terminal. If \( a_{i,i} + a_{i,j} = -1 \), then we have

\[ \nu_i = \beta_i(y_1,y_2) = a_{i,i}y_i + a_{i,j}y_j \]

\[ = (a_{i,i} + a_{i,j})(X_1 + X_2) + a_{i,i}Z_i + a_{i,j}Z_j \] (7)

where \( i \neq j \). Then we have

\[ Q_i = Y_i + \nu_i \]

\[ = (1 + a_{i,i} + a_{i,j})(X_1 + X_2) + (1 + a_{i,i})Z_i + a_{i,j}Z_j \]

\[ = (1 + a_{i,i})Z_i + a_{i,i}Z_i + a_{i,j}Z_j. \]

Thus the signal \( Q_i \) received at the terminal is pure noise and the MSE is maximized at 1 irrespective of the transmitter and receiver policies. We next determine the minimum power level \( k_i \), denoted by \( \bar{k}_i \), that admits a linear jamming policy with \( a_{i,i} + a_{i,j} = -1 \). To this end, for a linear jamming policy we have

\[ E[\nu_i^2] = a_{i,i}^2(C + \zeta_i) + 2a_{i,i}a_{i,j}(C + \zeta_1 + \zeta_2) + a_{i,j}^2(C + \zeta_j) \]

where \( C = c_1 + c_2 \). Setting \( a_{i,j} = -1 - a_{i,i} \) and \( E[\nu_i^2] = k_i \), we have

\[ a_{i,i}^2(\zeta_i + \zeta_j - 2\zeta_{1,2}) + 2a_{i,i}(\zeta_j - \zeta_{1,2}) + (C + \zeta_j - k_i) = 0. \]

The lowest \( k_i \) value for which this equation (which is quadratic in \( a_{i,i} \)) admits a real solution is when the discriminant is equal to zero. Hence

\[ \bar{k}_i = C + \frac{\zeta_1\zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}}, \quad i = 1, 2, \]

(9)

<table>
<thead>
<tr>
<th>Notation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>( U_i )</td>
<td>Signal at terminal ( T_i ) to be transmitted to ( T_j )</td>
</tr>
<tr>
<td>( \gamma_i )</td>
<td>Transmitted signal at terminal ( T_j, j \neq i )</td>
</tr>
<tr>
<td>( X_i )</td>
<td>( X_i = \gamma_i^*(U_i) )</td>
</tr>
<tr>
<td>( \nu_i )</td>
<td>Power constraint for ( X_i )</td>
</tr>
<tr>
<td>( Z_i )</td>
<td>Channel noise</td>
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<tr>
<td>( \zeta_i )</td>
<td>Variance constraint for ( Z_i )</td>
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<td>( \zeta_{1,2} )</td>
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</tr>
<tr>
<td>( \Sigma )</td>
<td>Covariance matrix for ( Z_1, Z_2 )</td>
</tr>
<tr>
<td>( Y_i )</td>
<td>( Y_i = X_1 + X_2 + Z_i )</td>
</tr>
<tr>
<td>( C )</td>
<td>( C = c_1 + c_2 )</td>
</tr>
<tr>
<td>( \omega )</td>
<td>( \omega = C(\zeta_1 + \zeta_2) + \zeta_1\zeta_2 - \zeta_{1,2}^2 )</td>
</tr>
<tr>
<td>( \beta_i )</td>
<td>Jammer policy for channel ( i )</td>
</tr>
<tr>
<td>( \nu_i )</td>
<td>( \nu_i = \beta_i(y_1,y_2) )</td>
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<td>( k_i )</td>
<td>Power constraint for ( \nu_i )</td>
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<tr>
<td>( Q_i )</td>
<td>( Y_i + \nu_i )</td>
</tr>
<tr>
<td>( R_1^1 )</td>
<td>( k_1 \geq C + \frac{\zeta_1\zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}} )</td>
</tr>
<tr>
<td>( R_2^2 )</td>
<td>( k_1 &lt; C + \frac{\zeta_1\zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}} )</td>
</tr>
<tr>
<td>( a_{i,i}, a_{i,j}, b_i )</td>
<td>Coefficients for equilibrium jamming policy, see Table II</td>
</tr>
<tr>
<td>( Q_i )</td>
<td>( Q_i = Q_i - (1 + a_{i,i} + a_{i,j})\sqrt{\zeta_i}U_i )</td>
</tr>
<tr>
<td>( \alpha_i )</td>
<td>( \alpha_i = \frac{(1+a_{i,i}+a_{i,j})^2\zeta_i + (1+a_{i,i}+a_{i,j})\zeta_j + (a_{i,i}+a_{i,j}+b_1)^2}{k_1 + k_2} )</td>
</tr>
<tr>
<td>( R )</td>
<td>( R = k_1 + k_2 )</td>
</tr>
<tr>
<td>( f(k_1,k_2) )</td>
<td>Returns equilibrium MSE</td>
</tr>
<tr>
<td>( p_{i,i} )</td>
<td>See (33)</td>
</tr>
<tr>
<td>( p_{i,j} )</td>
<td>See (34)</td>
</tr>
<tr>
<td>( \pi_i )</td>
<td>( \pi_i(y_i,y_j) = \frac{\pi_i(y_i,y_j)}{\pi_i(y_i,y_j)} )</td>
</tr>
</tbody>
</table>

**TABLE I:** Notation reference table.

with corresponding jamming coefficients

\[ a_{i,i} = -\frac{\zeta_1 - \zeta_{1,2}}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}}, \quad a_{i,j} = -\frac{\zeta_1 - \zeta_{1,2}}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}}. \]

Thus, for each \( i = 1, 2 \), we divide our analysis into the regions

\[ R_1^1 = \left\{ k_1 \geq C + \frac{\zeta_1\zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}} \right\}, \]

\[ R_2^2 = \left\{ k_1 < C + \frac{\zeta_1\zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}} \right\}. \]

In region \( R_1^1 \), there is no interesting problem to consider for channel \( i \) as the jammer can simply employ the policy in (10) regardless of the encoding/decoding policy. Furthermore, the region \( R_2^2 \) does not effect the region \( R_2^2 \); hence there can be a non-trivial problem to consider along channel 2 even if the problem along channel 1 is trivial or vice versa.

**Remark 2.1:** Note that we do not assume linear/affine policies in region \( R_2^2 \) a priori. In conducting our analysis we consider any admissible policy and linear/affine policies arise naturally as the optimal policies.

**Remark 2.2:** Note that we chose the two-way channel to be symmetric in \( X_1, X_2 \), but this is not required. The problem can be formulated for a general channel of the form \( Y_i = e_{i,1}X_1 + e_{i,2}X_2 + Z_i \). However, this will significantly complicate the already elaborate expressions making the problem unnecessarily tedious.
We close this section by referring to Table I which provides a summary of all the main variables used in the paper.

III. MAIN RESULTS

A. Equilibrium Policies in the Non-Degenerate Case

We consider a system where \((k_1, k_2) \in R_1^2 \times R_2^2\). If either \(k_i\) were to belong to the \(R_i^1\) region, then the jammer can just send \(\nu_i\) according to the policy described in (10) and the transmitter and receiver policies are irrelevant. Define

\[
\omega = C(\zeta_1 + \zeta_2 - 2\zeta_{1,2}) + \zeta_1\zeta_2 - \zeta_{1,2}^2
\]

(13)

We then have the following theorem.

Theorem 3.1: Fix \((k_1, k_2) \in R_1^2 \times R_2^2\).

(i) There exist four saddle-point solutions \((\gamma^*_1, \gamma^*_2, \delta^*_1, \delta^*_2, \mu^*_1, \mu^*_2)\) depending on whether the transmitter uses \(\sqrt{c_i}\) or \(-\sqrt{c_i}\). Assuming both transmitters use the positive amplification, the equilibrium policies for the system are given by

\[
\gamma_i^*(u_i) = \sqrt{c_i}u_i
\]

(14)

\[
\delta_i^*(q_i, u_i) = \alpha_i(q_i - (1 + a_i^*\mu_i + \lambda_i^*)\sqrt{c_i}u_i)
\]

(15)

\[
\beta_i^*(y_i, u_i) = a_i^*y_i + \lambda_i^*(y_i) + \eta_i
\]

(16)

where \(\eta_i \sim N(0, b_i^*)\) is a Gaussian signal with zero mean and variance \(b_i^*\) that is independent of the system signals,

\[
\alpha_i = \frac{\sqrt{c_i}(1 + a_i^*\mu_i + \lambda_i^*)}{G}
\]

\[
G = (1 + a_i^*\mu_i + \lambda_i^*)^2c_j + (1 + a_i^*\mu_i + \lambda_i^*)^2\zeta_i + (a_i^*\mu_i + \lambda_i^*)^2\zeta_j
\]

\[
+ (1 + a_i^*\mu_i + \lambda_i^*)\alpha_i\zeta_{1,2} + b_i^*
\]

(17)

and the coefficients \(a_i^*\mu_i, a_i^*\lambda_i, b_i^*\) are detailed in Table II depending on the relationship between \(c_i\) and \(\zeta_{1,2}\).

(ii) Furthermore, the zero-sum Nash equilibria are essentially unique up to the changes of the signs of the encoding/decoding coefficients.

Proof: The proof is presented in Appendix A.

B. Equilibrium Policies in the Degenerate Case

We next consider the degenerate case of having identical noise signals in both channel directions \((Z_1 = Z_2)\). In this case, \(Y_1\) and \(Y_2\) are the same signal and hence the jammer only has access to one unique signal. To address this scenario, we consider the modified problem where the jamming signal is given by \(\nu_i = \beta_i(y_i)\), that is the jammer makes no use of \(y_j\). Again \(\beta_i\) is in general a random mapping.

We must redefine our regions of interest since the game may become uninteresting in the sense that the signal is fully cancelled at the receiver when \(\beta_i(y_i) = -y_i\); the lowest power constraint which admits this policy is \(k_i = C + \zeta_i\). Therefore, defining the regions

\[
\hat{R}_i^1 = \{k_i \geq C + \zeta_i\}
\]

\[
\hat{R}_i^2 = \{k_i < C + \zeta_i\}
\]

(18)

(19)

we obtain the following result.

Theorem 3.2: Fix \((k_1, k_2) \in \hat{R}_1^2 \times \hat{R}_2^2\) and assume that the jammer only has access to signal \(y_i\) to jam channel \(i\). Then there exist four saddle-point solutions \((\gamma^*_1, \gamma^*_2, \delta^*_1, \delta^*_2, \mu^*_1, \mu^*_2)\) depending on whether the transmitters use \(\pm\sqrt{c_i}\). If the transmitters use positive amplification, the equilibrium policies are

\[
\gamma_i^*(u_i) = \sqrt{c_i}u_i
\]

\[
\beta_i^*(y_i) = a_i^*y_i + \eta_i
\]

\[
\delta_i^*(q_i, u_i) = \frac{\sqrt{c_i}}{c_j + \zeta_i - a_i^*\mu_i}(q_i - (1 + a_i^*)(\sqrt{c_i}u_i))
\]

(20)

(21)

(22)

where

\[
a_i^* = -\frac{k_i}{C + \zeta_i}, \quad \eta_i \sim N\left(0, \left(1 - \frac{k_i}{C + \zeta_i}\right)k_i\right)
\]

(23)

Furthermore, when the jammer is given access to only signal \(y_i\) to jam channel \(i\), the zero sum Nash equilibria are essentially unique up to change in sign of the encoding/decoding coefficients.

\[
\nu_i = -\frac{k_i}{C + \zeta_i} y_i, \quad \eta_i \sim N\left(0, \left(1 - \frac{k_i}{C + \zeta_i}\right)k_i\right)
\]

Remark 3.1: Given access to only one signal, the jammer’s optimal policy consists of sending \(\beta^*(y) = -\left(\frac{k_i}{C + \zeta_i}\right) y + \eta_i\). However, in the degenerate case since the jammer has access to the same signal, \(Y_1 = Y_2\), any policy of the form \(\beta_i(y_1, y_2) = a_{i,1}y_1 + a_{i,2}y_2 + \eta_i\) which satisfies \(a_{i,1} + a_{i,2} = -\left(\frac{k_i}{C + \zeta_i}\right)\) will indeed be an equilibrium policy. We can then see there is actually an infinite number of equilibrium jamming policies which all produce the same output signal \(\nu_i\).

C. Discussion

Let us consider a special case with the parameters \(c_2 = 0, \zeta_1 \to \infty, \zeta_{1,2} = 0\). These values correspond to shutting down the channel in the direction \(T_2 \to T_1\), reducing the system to a one-way system going from \(T_1\) to \(T_2\), which falls under the analysis considered in [1]. Note that the notation used in each paper is different, but each variable in [1] has a counterpart in our work. Staying consistent with our notation, we next show that our results agree with the results of [1]. Under our analysis, the boundary between the \(R_1^2\) and \(R_2^2\) regions now becomes

\[
C + \frac{\zeta_1 \zeta_2 - \zeta_{1,2}^2}{\zeta_1 + \zeta_2 - 2\zeta_{1,2}}\left|_{\zeta_1 \to \infty, \zeta_{1,2} = 0, c_2 = 0}\right. = c_1 + \zeta_2
\]

which is identical to the definition of the \(R_2^2\) region in [1] under the following notational equivalences \(k^2 = k_2, c^2 = c_1, \zeta_1 = \zeta_2, \sigma = 0\), where the left-hand side (LHS) terms in each identity are from [1]. The results in [1] state that for a \(k_2\) (i.e., \(k^2\) in [1]) value in the \(R_2^2\) region, the equilibrium jamming policy is given by

\[
\nu_2 = -\left(\frac{k_2}{c_1 + \zeta_2}\right) y_2 + \eta_2
\]
where \( \eta_2 \) is given by (23) using \( i = 2 \) and \( C = c_1 \), while our results state that the policy will be of the form \( \beta^2 (y_1, y_2) = a_{2,1} y_1 + a_{2,2} y_2 \) where the values for \( a_{2,1}, a_{2,2} \) are specified in the first row of Table II. These two results may at first not seem to agree: one is a combination of a negative feedback term and Gaussian noise, while the other is a linear combination of the two received signals. However, setting \( \zeta_i \rightarrow \infty \) yields
\[
\lim_{\zeta_i \rightarrow \infty} a_{2,2} = \lim_{\zeta_i \rightarrow \infty} \left( \frac{-k_2 \omega^2 + (c_1)(k_2(c_1 + \zeta_i - k_2))^{\frac{1}{2}}}{(c_1 + \zeta_i) \omega^2} \right) = -\frac{k_2}{c_1 + \zeta_2}
\]
and transforms signal \( Y_1 \) into pure noise. Thus in the jamming policy, the term \( a_{2,1} Y_1 \) acts as a zero mean Gaussian random variable (which is independent of the other system signals) with variance given by
\[
\lim_{\zeta_i \rightarrow \infty} E[(a_{2,1} Y_1)^2] = \lim_{\zeta_i \rightarrow \infty} \left( \frac{k_2 (c_1 + \zeta_i - k_2)}{(c_1 + \zeta_i) \omega^2} (c_1 + \zeta_i) \right) = k_2 \left( 1 - \frac{k_2}{c_1 + \zeta_2} \right).
\]
Therefore, we conclude that the two results indeed coincide.

In general, when faced with a Gaussian system, be it one-way or two-way, there are certain traits that appear in the jamming policies. There is an \( R_1 \)-type region where the jammer has too much power and can fully cancel the transmitted signal before it reaches the receiver, making the game trivial. When the jammer cannot fully cancel the signal, its equilibrium policies are either linear, or affine by combining a linear policy with Gaussian noise. For a two way channel, the choice of linear or affine in the jamming policy is determined by the covariance matrix of the noise variables, \( \Sigma \). If \( \zeta_i \neq \zeta_{1,2} \) then a linear policy is used. If \( \zeta_i = \zeta_{1,2} \) (in either the degenerate or non-degenerate case) then an affine policy is used. The reasoning for this involves an in depth discussion of the best response function used in the proof of Theorem 3.1. In essence, if the function admits a fixed point the policy is linear, and if it does not admit a fixed point an affine policy is used.

### D. Jamming Power Allocation

Theorems 3.1 and 3.2 fully describe the problem when the jamming power levels \( k_1 \) and \( k_2 \) are fixed. Let us consider a modified problem. Assume that the covariance matrix \( \Sigma \) is fixed, and fix the transmitter power levels \( c_1, c_2 \). Maintain the constraint (4), but now allow
\[
k_1 + k_2 \leq K
\]
the jammer then has an overall budget that it can allocate to either channel as it sees fit.

From our earlier results in Section III, we know that for some choice of \( k_1, k_2 \) there exists a unique (up to change in sign of the encoding policy) Nash equilibrium. One can produce a function \( f(k_1, k_2) \) that outputs the equilibrium MSE for these power constraints. If we call channel \( i \) as the channel from terminal \( T_j \) to \( T_i \), we can see that the jamming signal \( v_j \) plays no role in the jamming of channel \( i \). Then we have
\[
f(k_1, k_2) = \frac{1}{2} (g_1(k_1) + g_2(k_2))
\]
Where \( g_i \) is the distortion on channel \( i \). Note that if \( k_i \in R_1^i \), then \( g_i(k_i) = 1 \). Furthermore, for \( k_i \in R_2^i \) we can easily calculate \( g_i \) as
\[
g_i(k_i) = E[(\alpha_i \hat{Q}_i - U_j)^2]
\]
Where \( \hat{Q}_i = Q_i - (1 + a_{i,i} + a_{i,j})X_i \), that is the received signal with \( X_i \) removed. (See Appendix A for more discussion on \( \hat{Q}_i \).)

We can then formulate a constrained optimization problem (OP-1)
\[
\max f(k_1, k_2) \quad \text{s.t.} \quad h_1(k_1, k_2) = k_1 \geq 0 \quad h_2(k_1, k_2) = k_2 \geq 0 \quad h_3(k_1, k_2) = k_1 + k_2 - K \leq 0
\]
Note that as long as \( K > 0 \) all points are regular. Let \( \kappa = (k_1, k_2) \) and \( \xi \in \mathbb{R}^3 \).

Observe that an optimal solution exists due to the continuity of \( f \) in \( k_1, k_2 \) and the compactness of the set of feasible allocations. By [38, Theorem 1, p. 249], it follows that a variational stationarity condition through the introduction of a Lagrange multiplier would need to be satisfied at an optimal solution. The KKT conditions then become
\[
\nabla L(\kappa, \xi) = \begin{pmatrix}
\frac{\partial}{\partial \kappa_1} (f(\kappa)) + \xi_1 + \xi_3 \\
\frac{\partial}{\partial \kappa_2} (f(\kappa)) + \xi_2 + \xi_3
\end{pmatrix} = \begin{pmatrix}
0 \\
0
\end{pmatrix}
\]
\[
\xi_1 k_1 = 0 \quad \xi_2 k_2 = 0 \quad \xi_3 (k_1 + k_2 - K) = 0
\]

| \( \zeta_i > \zeta_{1,2} \) | \( a_{1,1}^* \) | \( a_{1,2}^* \) | \( b_i^* \)
<table>
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</thead>
<tbody>
<tr>
<td>( \zeta_i &lt; \zeta_{1,2} )</td>
<td>( -k_i \omega^2 + (C + \zeta_i)(k_i(C + \zeta_i - k_i))^{\frac{1}{2}} \omega )</td>
<td>( -k_i \omega^2 + (C + \zeta_i)(k_i(C + \zeta_i - k_i))^{\frac{1}{2}} \omega )</td>
<td>0</td>
</tr>
</tbody>
</table>
| \( \zeta_i = \zeta_{1,2} \) | \( 0 \) | \( 0 \) | \( k_i \left( 1 - \frac{k_i}{C + \zeta_i} \right) \)

| \( \zeta_i > \zeta_{1,2} \) | \( a_{1,1}^* \) | \( a_{1,2}^* \) | \( b_i^* \)
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<td>( \zeta_i &lt; \zeta_{1,2} )</td>
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<td>( -k_i \omega^2 + (C + \zeta_i)(k_i(C + \zeta_i - k_i))^{\frac{1}{2}} \omega )</td>
<td>0</td>
</tr>
</tbody>
</table>
| \( \zeta_i = \zeta_{1,2} \) | \( 0 \) | \( 0 \) | \( k_i \left( 1 - \frac{k_i}{C + \zeta_i} \right) \)

TABLE II: Jammer coefficients for different relationships between the noise variance and covariance.
Therefore, we know some optimal solution exists, and we have a necessary condition provided by the KKT conditions. The general form of our proofs will be going about finding the unique pair \((k_1, k_2)\) which satisfies the KKT conditions, and hence must be the optimal solution.

Note that two cases in particular are of interest, the degenerate case and the uncorrelated case. In both of these cases, \(g_1\) and \(g_2\) are the same function since both channels use the same jamming policy from Table II. This introduces a symmetry to the problem which results in an analytical solution for the KKT conditions.

**Theorem 3.3:** In the degenerate case of \(Z_1 = Z_2\) (where we have \(\zeta_1 = \zeta_2 = \zeta\)), the jammer’s optimal power allocation is as follows. For \(i,j = 1,2\) with \(i \neq j\), let

\[
K_i^* = \frac{(\zeta + \zeta)(c_j \frac{1}{2} (c_i + \zeta) - (c_j \frac{1}{2} (c_j + \zeta)))}{(c_j \frac{1}{2})^2}
\]

\[
k_i = \frac{(c_j \frac{1}{2})(K_i^* + K)}{(c_i \frac{1}{2} + c_j \frac{1}{2})}
\]

If \(K < \min_{i=1,2} K_i^*\), then the allocation is given by

\[
(k_1, k_2) = \begin{cases} (K, 0) & \text{if } c_1(c_2 + \zeta)^2 \leq c_2(c_1 + \zeta)^2 \\ (0, K) & \text{if } c_1(c_2 + \zeta)^2 > c_2(c_1 + \zeta)^2 \\ \end{cases}
\]

If \(K \geq \min_{i=1,2} K_i^*\), the jammer allocates according to

\[
(k_1, k_2) = \begin{cases} (\min(k_i, C, \zeta), K - k_1) & \text{if } c_1(c_2 + \zeta)^2 \leq c_2(c_1 + \zeta)^2 \\ (K - k_2, \min(k_2, C, \zeta)) & \text{if } c_1(c_2 + \zeta)^2 > c_2(c_1 + \zeta)^2 \\ \end{cases}
\]

**Proof:** The proof is given in Appendix C.

**Theorem 3.4:** For the uncorrelated noise case \((\zeta_{1,2} = 0)\), the jammer allocates as follows.

If \(K < 2\left(\frac{C + \zeta}{1 + \zeta}\right)\), the optimal allocation is the solution to the equation

\[
c_2(C + \zeta)^2 \left(-\frac{\zeta(C + \zeta)^2}{x_1} + (\omega - \zeta)(x_1 + \zeta(C + \zeta)) + x_1(1 + \zeta)\right)
\]

\[
x_1 = (k_1(C + \zeta - k_1)\frac{1}{2})
\]

\[
\lambda_{1,5} = \zeta_1 C - \zeta_1(C + \zeta) - \omega + \zeta \omega + \zeta - \omega
\]

\[
\lambda_{1,6} = (\zeta_1 + c_1)(C + \zeta)\omega.
\]

If \(K \geq 2\left(\frac{C + \zeta}{1 + \zeta}\right)\), the optimal allocation is \(k_1 = C + \zeta, i = 1,2\) so that both channels are in the \(R^1\) region and there is no signal reaching either terminal.

**Proof:** The proof is given in Appendix D.

Furthermore, the power allocation which is the optimal solution to OP-1 is actually itself a Nash equilibrium, in that both the jammer and transmitter/receiver are best responding.

**Theorem 3.5:** Fix a correlation matrix \(\Sigma\), transmitter power constraints \(c_1, c_2\), and some overall jamming power budget \(K\). Assume that there exists a power allocation \(\kappa^* = (k_1^*, k_2^*)\) that solves OP-1. Let \(\lambda_{1,2} = (\gamma_1, \gamma_2)\), \(\zeta = (\beta_1, \beta_2)\) be the transmission, receiving, and jamming policies determined by Theorem 3.1 (or Theorem 3.2 if the system is degenerate) for this set of power constraints \((c_1, c_2, k_1^*, k_2^*)\). Then these policies form a Nash Equilibrium overall transmission policies \(\gamma = (\gamma_1, \gamma_2)\) which satisfy \(E[\gamma(U_i)] = c_i\) and all jamming policies \(\beta = (\beta_1, \beta_2)\) which satisfy \(E[\beta_i(Y_1, Y_2)] + E[\beta_2(Y_1, Y_2)] \leq K\).

**Proof:** The proof is given in Appendix E.

**IV. Examples**

**A. Example 1**

Consider a system with parameters \(c_1 = 3, c_2 = 5, K = 5, \zeta_1 = \zeta_2 = \zeta_{1,2} = 1\). Since this choice of parameters yield the degenerate case, we use Theorem 3.3 to determine the power allocation and Theorem 3.2 to find the policy structures. We have that \(K^* = -1.1656\) and \(K_2 = 2.5081\). We also have that \(K > \min_{i=1,2} K_i^*\); hence the jammer will employ a power splitting policy between the two channels. Furthermore, the following inequalities hold: \(c_1(c_2 + \zeta)^2 > c_2(c_1 + \zeta)^2\) and \(k_2 = 2.3823 < C + \zeta\). Thus, the power allocation is given by \((k_1, k_2) = (2.6177, 2.3823)\). This can be seen in Fig. 2 which displays the system wide MSE for different values of \(k_1\). The peak occurs at \(k_1 = 2.6177\). In Fig. 3, we plot the gradients of the MSE along each channel as we vary \(k_1\). The power allocation which causes the gradients to intersect is exactly the one resulting in the highest system wide MSE, as inferred in the proof of Theorem 3.3 found in Appendix C.

With the determined power allocation, we obtain via Theorem 3.2 the following transmitter, receiver and jammer policies:

\[
\gamma_1(u_1) = \sqrt{3} u_1, \quad \delta_1(q_1, u_1) = 0.325(q_1 - (0.71)(\sqrt{3} u_1))
\]

\[
\beta_1(y_1, y_2) = a_{1,1} y_1 + a_{1,2} y_2 + \eta_1 \sim N(0, 1.856);
\]

\[
\gamma_2(u_2) = \sqrt{5} u_2, \quad \delta_2(q_2, u_2) = 0.325(q_2 - (0.735)(\sqrt{5} u_2))
\]

\[
\beta_2(y_1, y_2) = a_{2,1} y_1 + a_{2,2} y_2 + \eta_2 \sim N(0, 1.752).
\]

**B. Example 2**

Consider now an uncorrelated system with parameters \(c_1 = 1, c_2 = 4, K = 11, \zeta_1 = 7, \zeta_2 = 10, \zeta_{1,2} = 0\). This system is solved using Theorem 3.4. We have that \(K < 2\left(\frac{C + \zeta}{1 + \zeta}\right)\); thus the optimal jammer power allocation is also to split power between the two channels in order to solve (29). While this equation is difficult to solve directly, using a bisection method the allocation is approximately \((k_1, k_2) = (7.98, 3.12)\). This allocation is seen in Fig. 4 where the system wide MSE peaks, it also corresponds to the allocation which equates the gradients.
will use the policy outlined in the first row of Table II. We
Since the correlation is zero, on both channels the jammer
transmitter, receiver and jammer policies using Theorem 3.1.
along the two channels seen in Fig. 5. We then calculate the
system wide power allocation.

\[ \gamma_1(u_1) = u_1, \quad \delta_1(q_1, u_1) = 0.0346(q_1 - 0.0694)u_1 \]
\[ \beta_1(y_1, y_2) = -0.4757y_1 - 0.4549y_2; \]
\[ \gamma_2(u_2) = 2u_2, \quad \delta_2(q_2, u_2) = 0.0431(q_2 - 0.9536u_2) \]
\[ \beta_2(y_1, y_2) = -0.4830y_1 - 0.0402y_2. \]

V. CONCLUDING REMARKS

The results established in this paper provide a full set of
solutions for the two-way communication system presented
in Fig. 1 with independent Gaussian sources and arbitrarily
 correlated Gaussian noise signals. The results in many ways
provide a natural extension of [1] to a two-way system,
maintaining the existence of a Nash equilibrium and the
optimality of linear/affine policies. In the special degenerate
case, there is actually an infinite set of equilibrium jamming
policies due to signals \( Y_1 \) and \( Y_2 \) being identical. There are
a number of intricacies for the two-way system that make
the analysis more complicated than the one-way case. The
correlation between the noise signals now plays a pertinent
role in determining the jamming policy.

We note that the assumption in our paper that the encoders
have access to Gaussian data which are not dependent is
essential, for the counterexamples presented in both [30]
and [16, Chap. 11] imply that when noisy side information
is available at the decoder, the optimal encoder may not be
linear through a Gaussian channel, which would precisely
be the setup in the context of this paper.

Extensions of this work include examining correlation be-
tween the sources, which would alter how terminal \( T_i \)
decides to decode with side information \( X_1 \), as well as
considering non-Gaussian noise and source variables. An-
other worthwhile future direction is to investigate the vector
(finite-time horizon) setup of the problem in the sense that
the two-way channel is time-correlated and each user utilizes
the channel multiple times (via a block encoding operation)
to convey its source to the other user, hence necessitating it
to interactively adapt its codeword to the previously received
signals.

APPENDIX

PROOFS

A. Proof of Theorem 3.1

Proof: We proceed in two steps by separately validating
the right-hand side (RHS) and the LHS inequalities of (6)
under the stated policies in (14)-(16). We then examine the
uniqueness of the equilibrium.

(i) The RHS Inequality

Assume that the jammer is using an affine policy of the
form (16), not necessarily with the assumed equilibrium
values \((a_{i,i}^*, a_{i,j}^*, b_i^*)\) but any general values \((a_{i,i}, a_{i,j}, b_i)\).

We can view the two-way system as two separate one-way channels with each channel going from transmitter \(γ_j(·)\) to receiver \(δ_i(·)\) as displayed in Fig. 6. In the figure,

\[
\begin{align*}
U_j &\rightarrow γ_j(·) \quad (1 + a_{i,i} + a_{i,j}) X_j + Q_i \quad δ_i(·) \quad \hat{U}_j \\
(1 + a_{i,i} + a_{i,j}) X_i + (1 + a_{i,i}) Z_i + a_{i,j} Z_j + N(0, b_i)
\end{align*}
\]

Fig. 6: Equivalent one-way Gaussian test system in the direction \(T_j \rightarrow T_i\) for non-degenerate case.

\[\hat{γ}_j(u_j) = (1 + a_{i,i} + a_{i,j}) γ_j(u_j),\]

as the jammer is amplifying the signal \(X_j\) by sending back a scaled version of \(Y_i, Y_j\) to the channel. Then the power constraint on the transmitter is \(E[γ_i(u_i)]^2 \leq c_i (1 + a_{i,i} + a_{i,j})^2\). Note that the receiver has side information about the signal \(X_i\) since terminal \(T_i\) is composed of both the transmitter \(γ_i\) and receiver \(δ_i\) (see Fig. 1). This setup has a classical solution building on the data-processing inequality of information theory; the transmitter will amplify the signal as much as possible and the receiver will use the minimal MSE estimator \(δ_i^*(q_i, u_i) = E[U_j|Q_i = q_i, U_i = u_i]\) (see [17]-[20], or [16, Chap. 11]). Thus \(δ_i^*(u_i) = \sqrt{c_i} (1 + a_{i,i} + a_{i,j}) u_i\), which yields that \(γ_i^*(u_i) = \sqrt{c_i} u_i\). Note that \(γ_i^*(u_i) = -\sqrt{c_i} u_i\) is also a valid solution; hence there are four possible equilibrium policies as stated in the theorem. We determine the best receiver policy when both transmitters use positive amplification (the policies for the other equilibria can be found by simply changing the sign of \(\sqrt{c_i}\) in the transmitter and receiver functions). Writing \(Q_i = \hat{Q}_i + (1 + a_{i,i} + a_{i,j}) \sqrt{c_i} U_i\) and noting that \(U_i\) is independent of \(Q_i\) and \(U_j\), it can be shown that the receiver policy satisfies

\[\delta_i^*(q_i, u_i) = \frac{E[U_j|Q_i]}{E[Q_i]} = \alpha_i \hat{q}_i,\]

where \(α_i\) is given in (17). This verifies the RHS inequality of (6).

\textbf{(ii) The LHS Inequality}

Assuming the policies in (14) and (15) at each terminal, again for some general \((a_{i,i}, a_{i,j}, b_i)\) and not the assumed equilibrium values. The maximization problem faced by the jammer is given by

\[
\max_{(μ_1, μ_2) \in Μ} \left\{ \frac{1}{2} \sum_{i=1}^{2} E \left[ \left( α_i \hat{Q}_i - U_j \right)^2 \right] dμ_i(ν_i) \right\}.
\]

(30)

Setting \(\hat{Q}_i = W_i + ν_i\)

\[
W_i = X_j + Z_i - (a_{i,i} + a_{i,j}) X_i
\]

We expand the \(i\)th MSE term in the sum above as follows

\[
\int_{-∞}^{∞} E \left[ \left( α_i \hat{Q}_i - U_j \right)^2 \right] dμ_i(ν_i)
= E[γ_i, γ_j \left\{ \int_{-∞}^{∞} E \left[ \left( α_i \hat{Q}_i - U_j \right)^2 \right] dμ_i(ν_i|y_1, y_2) \right\}
= α_i^2 (c_i + (a_{i,i} + a_{i,j})^2) + (α_i \sqrt{c_i} - 1)^2 + E[γ_i, γ_j \left\{ \int_{-∞}^{∞} α_i^2 ν_i^2 + 2ν_i E[γ_i W_i - α_i U_j|y_1, y_2] dμ_i(ν_i|y_1, y_2) \right\}]
\]

It can be shown that

\[
E[α_i^2 W_i - α_i U_j|y_1, y_2] = π_i(y_1, y_2)
\]

where

\[
ρ_{i,i} = α_i (c_i (ζ_i + ζ_j - 2ζ_{i,j}) + c_i (ζ_i - ζ_{i,j} - (ζ_i - ζ_{i,j}) (a_{i,i} + a_{i,j})) + ζ_i ζ_j - ζ_{i,j}^2) \sqrt{c_j},
\]

\[
ρ_{i,j} = -α_i (ζ_i - ζ_{i,j}) c_i (1 + a_{i,i} + a_{i,j}) - (ζ_i - ζ_{i,j}) \sqrt{c_j},
\]

\[
π_i(y_1, y_2) = \frac{α_i}{ω} \left( ρ_{i,i} y_i + ρ_{i,j} y_j \right).
\]

Ignoring the terms which are independent of \(ν_i\), we can focus on determining

\[
J = \max_{μ_1, μ_2} \sum_{i=1}^{2} E[α_i^2 ν_i^2] + 2E[ν_i π_i(Y_1, Y_2)].
\]

Applying the Cauchy-Schwarz inequality and the power constraint (4) we have

\[
J \leq \sum_{i=1}^{2} α_i^2 k_i + 2(k_i)^{1/2} E[π_i(Y_1, Y_2)^2]^{1/2}.
\]

(37)

From here we break our analysis into two parts.

\textbf{Case 1:} \(ζ_i \neq ζ_{i,j}\)

We have that \(E[π_i(Y_1, Y_2)^2] \neq 0\) thus we can uniquely achieve the upper bound with the linear jammer policy

\[
ν_i = β_i^*(y_1, y_2) = \frac{(k_i)^{1/2}}{E[π_i(Y_1, Y_2)^2]^{1/2}} π_i(y_1, y_2)
\]

\[
= \frac{(k_i)^{1/2}}{(C(p_{i,i} + p_{i,j})^2 + p_{i,i}^2 ζ_i + p_{i,j}^2 ζ_j + 2ρ_{i,i} ρ_{i,j} ζ_{i,j,2})^{1/2}}
\]

(38)

Therefore, the best response jamming policy to transmission and receiving policies (14) and (15) is linear, yet these policies where constructed when faced with an affine (linear if \(b_i = 0\)) jamming policy. Setting

\[
λ_i = \frac{k_i}{E[π_i(Y_1, Y_2)^2]^{1/2}}
\]

(39)

for each linear jamming policy with coefficients \((a_{i,i}, a_{i,j})\) we use (38) to define the best response mapping

\[
T \left( \frac{a_{i,i}}{a_{i,j}} \right) \mapsto \frac{(λ_i)^{1/2} ρ_{i,i}}{(λ_i)^{1/2} ρ_{i,j}}
\]

(40)
The equilibrium policy then has coefficients \((a_{i,i}^*, a_{i,j}^*)\) which are the fixed point of this mapping and satisfy (4) for a given \(k_i\). However, directly finding this fixed point is computationally difficult. We instead consider and equivalent set of conditions which can be proved via a geometric approach.

**Proposition A.1:** A sufficient and necessary set of conditions for equilibria are

\[
\begin{align*}
    a_{i,i} \rho_{i,j} &= a_{i,j} \rho_{i,i} \quad (41) \\
    E[(a_{i,i} Y_i + a_{i,j} Y_j)^2] &= k_i \quad (42) \\
    a_{i,i} &= \frac{\rho_{i,i}}{|\rho_{i,i}|} \quad (43) \\
    a_{i,j} &= \frac{\rho_{i,j}}{|\rho_{i,j}|} \quad (44)
\end{align*}
\]

**Proof:** Assume that coefficients \(a_{i,i}\) and \(a_{i,j}\) are equilibrium policies. Then via being a fixed point of \(T\), we have that \(a_{i,i} = (\lambda_i) \rho_{i,i}\) and \(a_{i,j} = (\lambda_i) \rho_{i,j}\), thus

\[a_{i,i} \rho_{i,j} = \lambda_i \rho_{i,i} \rho_{i,j} = a_{i,j} \rho_{i,i}\]

and hence condition (41) is necessary. Also

\[E[(a_{i,i} Y_i + a_{i,j} Y_j)^2] = \lambda_i^2 E[\pi_i(Y_1, Y_2)^2] = k_i\]

and thus condition (42) is also necessary. Furthermore, we have

\[
\frac{a_{i,i}}{|a_{i,i}|} = \frac{\lambda_i}{|\lambda_i|} \frac{\rho_{i,i}}{|\rho_{i,i}|} = \frac{\rho_{i,i}}{|\rho_{i,i}|}
\]

since \(\lambda_i > 0\); thus condition (43) is necessary as well. A similar argument shows that condition (44) is necessary. This concludes one direction of the proof.

We next show the reverse direction, by proving that any pair of coefficients \((a_{i,i}, a_{i,j})\) satisfying conditions (41)-(44), forms a fixed point of \(T\); therefore \(a_{i,i}\) and \(a_{i,j}\) are equilibrium policies. By conditions (43) and (44) we have that \((a_{i,i}, a_{i,j})\) and \(T(a_{i,i}, a_{i,j})\) must exist in the same quadrant on the Cartesian plane. Combining this fact with (41) yields that they also both have the same polar angle. Finally, condition (42) means that they both live on the same ellipse. Therefore, points \((a_{i,i}, a_{i,j})\) and \(T(a_{i,i}, a_{i,j})\) live on the same ellipse, in the same quadrant, and have the same polar angle; thus they form an identical point and hence the conditions are sufficient.

**Lemma A.1:** The ellipse described by:

\[
(C + \zeta_i)(a_{i,i} + 0.5)^2 + 2a_{i,i}(a_{i,i} + 0.5)(C + \zeta_i) + (C + \zeta_i) = (C + \zeta_i)^2
\]

satisfies condition (41).

**Lemma A.2:** The ellipse defined by

\[
a^2_{i,i}(C + \zeta_i) + 2a_{i,i}a_{i,j}(C + \zeta_i) + a^2_{i,j}(C + \zeta_i) = k_i
\]

satisfies condition (42).

Intersecting these two ellipses gives two possible solutions, one in each half plane. We can then use the remaining conditions (43) and (44) the find the only sufficient and necessary solution, which yields the first two rows of Table II.

**Case 2:** \(\zeta_i = \zeta_{1,2}\)

If \(\zeta_i = \zeta_{1,2}\), then \(\rho_{i,j} = 0\) for any affine jamming policy. Thus \(E[\pi_i(Y_1, Y_2)^2] \neq 0\) is not guaranteed. Revisiting (36), if there were a choice of \(a_{i,i}, a_{i,j}, b_i\) for which \(\rho_{i,i} = 0\), then \(J = \max_{\mu_i, \mu_2} \sum_{i=1}^2 a_i^2 E[\nu_i^2] \leq \alpha^2 k_i\) which is clearly maximized by a policy with variance \(k_i\). Therefore, the equilibrium policy when \(\zeta_i = \zeta_{1,2}\) must force \(\rho_{i,i} = 0\) and achieve variance \(k_i\), which is the policy given in the third row of Table II.

**iii Uniqueness of the Equilibrium Policies.**

Let the presented equilibrium be referred to as

\[\Lambda^* = (\gamma_1^*, \gamma_2^*, \beta_1^*, \beta_2^*, \delta_1^*, \delta_2^*)\]

and denote any other solution by

\[\Lambda = (\gamma_1, \gamma_2, \beta_1, \beta_2, \delta_1, \delta_2)\]

If \(\Lambda\) is also a Nash equilibrium, then the ordered interchangeability property of saddle points in zero-sum games [37, Corollary 2.1, Property 4.1, p. 177] would require that

\[
(\gamma_1^*, \gamma_2^*, \beta_1^*, \delta_1^*, \delta_2^*) = (\gamma_1, \gamma_2, \beta_1, \beta_2, \delta_1, \delta_2)
\]

are also both Nash equilibria (note that the fact that there are multiple encoders as a team does not violate the rectangularity condition of the policies that is the policy sets do not depend on the realized policies of the opposing player, the jammer).

Considering the first candidate solution (46), when faced with \(\gamma_i^*, \delta_i^*\), an optimal jamming solution must achieve the maximum of (36). When \(\zeta_i \neq \zeta_{1,2}\), the upper bound of the Cauchy-Schwarz inequality can only be achieved when \(\nu_i\) is linearly dependent with \(\pi_i(Y_1, Y_2)\) and has variance \(k_i\), of which there are two possibilities:

\[
\pm \left(\frac{k_i}{E[\pi_i(Y_1, Y_2)^2]}\right)^{\frac{1}{2}} \pi_i(y_1, y_2)
\]

However, the negative option would result in a negative second term in (36), lowering the overall result. Therefore \(\beta_i^*\) is the only policy to achieve the upper bound in (36). When \(\zeta_i = \zeta_{1,2}\), there is only one policy which can force \(\rho_{i,i} = 0\) and achieve variance \(k_i\). Any other policy has \(E[\pi_i(y_1, y_2)^2] \neq 0\) forcing the equilibrium policy to be a scaled version of \(\pi_i(y_1, y_2)\) which achieves variance \(k_i\). Since \(\rho_{i,j} = 0\), there are two possibilities:

\[
\beta_i(y_1, y_2) = \pm \left(\frac{k_i}{C + \zeta_i}\right)^{\frac{1}{2}} y_i
\]

The best response mapping (40) simplifies to

\[
T\left(\frac{a_{i,i}}{a_{i,j}}\right) = \left(\frac{k_i}{C + \zeta_i}\right)^{\frac{1}{2}} \frac{a_{i,i}}{|a_{i,i}|}. \tag{48}
\]
We see that the best response flips the sign of $a_{i;i}$; therefore each of these possible policies is the best response of the other and neither is a fixed point of $T$.

For the second candidate solution (47), as mentioned in the theorem, the transmitter can choose $\pm \sqrt{c_i}$ and the receiver can follow suit and both of these policies are optimal with respect to the jamming policy. Also, the jamming policy only depends on $c_i$ and $c_j$, it is irrelevant to the jammer if the transmitter used positive or negative amplification. Therefore, there exist four Nash equilibria which have the same jamming policy, and have transmission and receiving policies which are identical up to the absolute value of $\sqrt{c_i}$. Hence the equilibrium is essentially unique.

B. Proof of Theorem 3.2

**Proof:** (i) The RHS Inequality

Assuming the jammer uses a policy of the form seen in (21), we can do a similar analysis as before and view the TWC system have two one-way channels—each going from transmitter $\gamma_j(\cdot)$ to receiver $\delta_i(\cdot)$. We view the channel as a Gaussian test channel displayed in Fig. 7.

\[
U_j \xrightarrow{\gamma_j(\cdot)} (1 + a_i)X_j + Q_i \xrightarrow{\delta_i(\cdot)} \tilde{U}_j
\]

\[ (1 + a_i)(X_i + Z_i) + N(0, b_i) \]

Fig. 7: Equivalent one-way Gaussian test system in the direction $T_j \rightarrow T_i$ for degenerate case.

Then, following the same analysis on this channel we can show that the transmitter will amplify with either $\pm \sqrt{c_i}$ and the receiver will compute the Bayes estimator with side information of $u_i$:

\[
\delta_i(q_i, u_i) = E[u_j|q_i, u_i] = \frac{\sqrt{c_j}}{(1 + a_i)(c_j + c_i) + \frac{b_i}{1 + a_i}} \tilde{q}_i
\]

(ii) The LHS Inequality:

Assume the transmitter and receiver are using their equilibrium policies. Let $\alpha_i = \frac{\sqrt{c_j}}{(1 + a_i)(c_j + c_i) + \frac{b_i}{1 + a_i}}$. As before, we consider

\[
\int_{-\infty}^{\infty} E \left[ (\alpha_i \tilde{q}_i - u_j)^2 | \nu_i \right] d\mu_i(\nu_i)
\]

\[
= E_{y_i} \left[ \int_{-\infty}^{\infty} (\alpha_i^2 \nu_i^2 + 2\alpha_i \nu_i E[a_i(X_j + Z_i) - a_iX_i] - U_j[y_i])d\mu_i(\nu_i|y_i) \right] + a_i^2(c_j + c_i + \alpha_i a_i) + 2\alpha_i \sqrt{c_j} + 1
\]

Setting:

\[
\pi_i(y_i) = \left( \frac{\alpha_i c_j + z_i + c_i a_i - \sqrt{c_j}}{C + z_i} \right)y_i = \rho_i y_i
\]

We can then arrive at an analogous expression to (36). Now, similar to Case 2 above, we have that $(a_i', b_i')$ force $\rho_i = 0$ and achieve the power constraint $k_i$, therefore, jamming policy (21) satisfies the LHS inequality of (6). We can then use the ordered interchangeability property to show the solution is essentially unique, i.e. the transmitter can use positive or negative amplification which produces 4 possible solutions.

C. Proof of Theorem 3.3

**Proof:** For the degenerate case, we have that:

\[
\frac{\partial}{\partial k_i} f(\kappa) = \frac{c_j(C + \zeta_i)^2}{2((c_j + \zeta_i)^2 + c_i(c_j + k_i + \zeta_i))^2}
\]

we now go about solving the KKT conditions. Recall an optimal solution exists due to continuity and compactness, and if we can find a unique pair of $(k_1, k_2)$ which satisfies the KKT conditions, it must be the optimal policy. Since the constrains are not tight, we will by process of elimination determine which of the constrains should be treated as tight or not. As we can see, the derivative is always positive, hence adding more power to a channel increases the MSE and the constraint $k_1 + k_2 \leq K$ should be tight for an optimal solution. It is not possible for all three constrains to be tight simultaneously, hence we really have three options to consider:

<table>
<thead>
<tr>
<th>$\xi_1$</th>
<th>$\xi_2$</th>
<th>$\xi_3$</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>$\neq 0$</td>
<td>$k_1 &gt; 0, k_2 &gt; 0, k_1 + k_2 = K$</td>
</tr>
<tr>
<td>$\neq 0$</td>
<td>0</td>
<td>$\neq 0$</td>
<td>$k_1 = 0, k_2 &gt; 0, k_1 + k_2 = K$</td>
</tr>
<tr>
<td>0</td>
<td>$\neq 0$</td>
<td>$\neq 0$</td>
<td>$k_1 &gt; 0, k_2 = 0, k_1 + k_2 = K$</td>
</tr>
</tbody>
</table>

TABLE III: Possible constrains that yield a solution to the KKT conditions.

When $\xi_1 = 0, \xi_2 = 0, \xi_3 \neq 0$ the KKT condition becomes

\[
\nabla L(\kappa, \xi) = \begin{pmatrix} \frac{\partial}{\partial k_1} (f(\kappa)) + \xi_3 \\ \frac{\partial}{\partial k_2} (f(\kappa)) + \xi_3 \end{pmatrix} = \begin{pmatrix} 0 \\ 0 \end{pmatrix}
\]

the only way that a solution could exist is if:

\[
\frac{\partial}{\partial k_1} (f(\kappa)) = \frac{\partial}{\partial k_2} (f(\kappa))
\]

That is, if we could find a power level makes the partial derivatives equal.

If $\xi_1 \neq 0, \xi_2 = 0$, in this case we force one of the $k_i = 0$, which means $k_j = K$. Then the Lagrangian condition becomes:

\[
\nabla L(\kappa, \xi) = \begin{pmatrix} \frac{\partial}{\partial k_1} (f(\kappa)) + \xi_3 \\ \frac{\partial}{\partial k_2} (f(\kappa)) + \xi_3 + \xi_3 \end{pmatrix} = \begin{pmatrix} 0 \\ 0 \end{pmatrix}
\]

We must then have:

\[
\xi_3 = -\frac{\partial}{\partial k_1} f(\kappa) \quad \xi_j = -\left( \frac{\partial}{\partial k_j} f(\kappa) - \frac{\partial}{\partial k_i} f(\kappa) \right)
\]

However, $\xi_j$ must be non-negative since it is a greater than or equal constraint in a maximization problem.
On an asymmetrical channel $c_1 \neq c_2$ the derivatives in (50) evaluated at $k_i = 0$ are not equal, one is larger. Moreover, as one adds more power, the derivative decreases. Therefore, for small power levels the jammer cannot make the derivatives equal and supplies all power to the channel with the higher derivative yielding a unique solution to the KKT conditions of either $(K, 0)$ or $(0, K)$ depending on the system parameters. For higher power levels, the jammer can make the derivatives equal and supplies the appropriate power level to each channel to achieve equality (51). The specific values to achieve these allocations are those provided in the theorem.

D. Proof of Theorem 3.4

Proof: For the uncorrelated case, we have that
\[
\frac{\partial}{\partial k_i} f(k) = c_i \omega(C + \zeta_i)^2 \\
\times \left(\frac{(-2\zeta_i \omega^{\frac{1}{2}}) k_i + (\omega - \zeta_i^2) x_i + \zeta_i (\omega)^{\frac{1}{2}} (C + \zeta_i)}{x_i(\lambda_i \delta \kappa_i + 2\lambda_i \gamma x_i + \lambda_i \delta)^2}\right) \tag{52}
\]
Where the various notation is previously described in the theorem. We see that evaluated at $k_i = 0$ the derivative is $\infty$ and evaluated at $k_i = K$ it is some finite positive value. Therefore, for any power budget $K$ we can find an allocation $(k_1, k_2)$ such that the derivatives equal, which is exactly the condition for optimality in the theorem.

E. Proof of Theorem 3.5

Proof: Let $\kappa = (k_1^*, k_2^*)$ be the power allocation which maximizes $f(k_1, k_2)$. Let $\gamma = (\gamma_1, \gamma_2)$, $\delta = (\delta_1, \delta_2)$ and $\beta = (\beta_1, \beta_2)$ be the equilibrium policies determined by Theorem 3.1 (or Theorem 3.2 if the system is degenerate) for this set of power constraints. Clearly, if we fix the jamming policy $\beta$ then $\gamma$ and $\delta$ satisfy the RHS of inequality (6); therefore we focus on the LHS of the inequality.

Assume that the transmitter and receiver employ policies $\gamma$ and $\delta$ designed with respect to $(c_1, c_2, k_1^*, k_2^*)$. Clearly, if the jammer chooses the allocation $(k_1, k_2) = (k_1^*, k_2^*)$, any policy which is not $\beta$ will have a lower MSE, since $\beta$ is the Nash equilibrium policy for this power allocation as proven previously.

Assume that faced with the fixed policies $\gamma$ and $\delta$, the jammer tries to find another allocation $(k_1, k_2) \neq (k_1^*, k_2^*)$ that achieves a higher MSE. Following the LHS analysis of Appendix A (or Appendix B), by (37) for a fixed set of transmission and receiving policies $\gamma$ and $\delta$, if the jammer has a power allocation $(k_1, k_2)$ then the average MSE is upper bounded by
\[
\frac{1}{2} \left(2 \sum_{i=1}^{2} \alpha_i^2 k_i + \sqrt{k_i} E \left[\left(\pi_i(y_1, y_2)\right)^2\right]^{\frac{1}{2}}\right) \tag{53}
\]
Let us now consider the degenerate and uncorrelated cases separately. For the degenerate case, $\gamma$ and $\delta$ will force $\pi_i(y_1, y_2) = 0$ and therefore the jammer chooses the allocation which maximizes
\[
\alpha_1^2 k_1 + \alpha_2^2 k_2. \tag{54}
\]
However, for the degenerate case we have
\[
a_i = -\frac{k_i}{C + \zeta_i}, \quad b_i = k_i^* \left(1 - \frac{k_i}{C + \zeta_i}\right),
\]
\[
\alpha_1 = \sqrt{\frac{c_i}{(1 + a_i) (c_j + \zeta_i) + b_i}} = \sqrt{\frac{c_i}{(C + \zeta_i)(c_j + \zeta_i)}}.
\]
Thus $\alpha_1^2$ is exactly the expression we see for $\frac{\partial}{\partial a_i} f(k)$ in (50) and $(k_1^*, k_2^*)$ satisfy the KKT conditions. Therefore, when $(k_1^*, k_2^*) = (K, 0)$, $\alpha_1 > \alpha_2$ so the optimal solution to (54) is again $(k_1, k_2) = (K, 0)$. Similarly when $(k_1^*, k_2^*) = (0, K)$, $\alpha_2 > \alpha_1$ and the optimal to (54) is $(k_1, k_2) = (0, K)$. Finally if $\alpha_1 = \alpha_2$ then any allocation is the same under (54), hence $(k_1, k_2) = (k_1^*, k_2^*)$ is not out preformed by any other policy. Therefore, when we design $\gamma$ and $\delta$ with respect to $(c_1, c_2, k_1^*, k_2^*)$, we see that $(k_1, k_2) = (k_1^*, k_2^*)$ maximizes (54) and therefore satisfies the LHS inequality.

For the uncorrelated case, now $E[\pi_i(y_1, y_2)^2]^{\frac{1}{2}} = 0$ and (53) is maximized by the choice of $k_1, k_2$ such that
\[
\alpha_1^2 + \frac{1}{2} \frac{E[\pi_i(y_1, y_2)^2]}{k_1} = \alpha_2^2 + \frac{1}{2} \frac{E[\pi_i(y_1, y_2)^2]}{k_2}.
\]
One can see that the LHS and RHS of this equation are symmetrical, and it can be shown that expression is the same as $\frac{\partial}{\partial a_i} f(k)$ given in (52). Therefore, if we design $\gamma$ and $\delta$ with respect to $(c_1, c_2, k_1^*, k_2^*)$, we see that $(k_1, k_2) = (k_1^*, k_2^*)$ maximizes (53) and hence satisfies the LHS inequality.

References
