OUTPUT FROM SIMULATED MODEL

10 years	Non cooperative (million USD)	Cooperative (million USD)						
		$\beta = 0$	0.15	0.3	0.5	0.7	0.85	1.0
Quasi rent (WA)	**12.6**	0	9.3	10.8	12.1	12.3	13.6	14.7
Quasi rent (BC)	**50.4**	62.7	58.4	57.8	57.3	54.2	52.9	0
Total	63.0	62.7	67.7	68.6	**69.4**	66.5	66.5	14.7

IMPLICATIONS

- BC will always be interested in cooperation (except when WA has full bargaining power).
- No side payment: WA will only be interested in cooperation ONLY IF it has a sufficiently high β i.e. greater than 0.7 in a 10 year planning horizon.
- The joint total quasi rent is maximized when both regions have close to equal bargaining power. Thus, both patties will gain with a transfer of side payment.
- With side payment: A transfer of 3.7 million USD from BC to WA, will yield a cooperative agreement with both agents mutually profiting. (BC=53.6 million USD and WA=15.8 million USD)
- Overall (sum of quasi rents) in a cooperative scenario generate higher quasi rents than a competitive scenario.