

# Notes on Minimum-Cost Flow Algorithms

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## 1 Problem Definitions

- In the *minimum-cost flow problem*, you are given:

- a graph  $G = (V, E)$ ;
- a *capacity function*  $u : E \rightarrow \mathbb{R}^+ \cup \{0\}$ ;
- a *demand function* (defined on the vertices)  $b : V \rightarrow \mathbb{R}$ ;
- a *cost function*  $c : E \rightarrow \mathbb{R}$ .

You are to find a *flow*  $f : E \rightarrow \mathbb{R}^+ \cup \{0\}$  such that

- for all edge  $e \in E$ , we have  $0 \leq f(e) \leq u(e)$ ;
- for all vertex  $v \in V$ ,

$$\sum_{(v,w) \in E} f(v,w) - \sum_{(w,v) \in E} f(w,v) = b(v);$$

- the *cost of the flow*  $\sum_{e \in E} c(e)f(e)$  is minimal.

- The min-cost flow problem is a generalization of many graphs problems. For examples:

- The **shortest path** problem is a min-cost flow where you set (1) the capacity of every edge to 1, (2) the cost to its length, and (3)  $b(s) = 1$  and  $b(t) = -1$ .
- The **max flow** problem sets the cost of all edges to zero, and tries to find the maximum possible flow. (We shall see that this is actually equivalent to min-cost flow.)
- The **disjoint path** problem asks to connect  $s$  and  $t$  with  $k$  disjoint paths using the smallest number of edges possible. This can be casted as a min-cost flow problem where (1) all the edges have capacity 1 and cost 1, and (2)  $b(s) = k$  and  $b(t) = -k$ .

- In the *minimum-cost circulation problem*, you are given:

- a graph  $G = (V, E)$ ;
- a *capacity function*  $u : E \rightarrow \mathbb{R}^+ \cup \{0\}$ ;
- a *demand function*  $l : E \rightarrow \mathbb{R}^+ \cup \{0\}$  such that  $l(e) \leq u(e)$  for all  $e \in E$ ;
- a *cost function*  $c : E \rightarrow \mathbb{R}$ .

You are to find a *circulation*  $f : E \rightarrow \mathbb{R}^+ \cup \{0\}$  such that

- for all edge  $e \in E$ , we have  $l(e) \leq f(e) \leq u(e)$ ;
- for all vertex  $v \in V$ ,

$$\sum_{(v,w) \in E} f(v,w) - \sum_{(w,v) \in E} f(w,v) = 0;$$

- the cost of the circulation  $\sum_{e \in E} c(e)f(e)$  is minimal.

• **Lemma 1.1.** *The min-cost flow problem and the min-cost circulation problem are equivalent.*

*Proof. (circulation  $\implies$  flow)* Let  $(G, u, b, c)$  be an instance of min-cost flow problem. Construct instance  $(G', u', l', c')$  of the min-cost circulation problem as follows:

- Construct  $G'$  by adding a new vertex  $s$  to  $G$ .
- For each  $v \in V$  where  $b(v) > 0$ , add an edge  $(s, v)$  with  $u'(s, v) = l'(s, v) = b(v)$ , and  $c(s, v) = 0$ .
- For each  $v \in V$  where  $b(v) < 0$ , add an edge  $(v, s)$  with  $u'(v, s) = l'(v, s) = |b(v)|$  and  $c(v, s) = 0$ .
- For any other edge  $e$ , set  $l'(e) = 0$  and  $u'(e) = u(e)$  and  $c'(e) = c(e)$ .

Then, there is a bijection between a feasible flow in  $G$  and a feasible circulation in  $G'$ . Moreover, since the new edges added to  $G'$  have cost 0, the cost of the flow equals to the cost of the circulation. Hence, a min-cost circulation gives a min-cost flow.

*(flow  $\implies$  circulation)* Let  $(G, u, l, c)$  be an instance of min-cost circulation problem. Construct instance  $(G', u', b', c')$  of the min-cost flow problem as follows:

- $G'$  is the same as  $G$ .
- For all  $e \in E$ , set  $u'(e) = u(e) - l(e)$ .
- For all  $v \in V$ , set  $b'(v) = \sum_{(v,w) \in E} l(v, w) - \sum_{(w,v) \in E} l(w, v)$ .
- For all  $e \in E$ , set  $c'(e) = c(e)$ .

There is a bijection between a feasible circulation in  $G$  and a feasible flow in  $G'$ . The cost of the flow in  $G'$  is not equal to the cost of circulation in  $G$ , but they differ by a constant. Hence, a min-cost flow gives a min-cost circulation.  $\square$

Since the two problems are equivalent, we will work only with the min-cost circulation problem.

- The circulation problem's formulation can be simplified to make proofs and algorithm descriptions easier as follows:
  - We replace each edge by two edges of opposite direction.
  - For each newly created opposite  $(w, v)$  of edge  $(v, w)$ , we set:
    - \*  $u(w, v) = -l(v, w)$ .
    - \*  $c(w, v) = -c(v, w)$ .
  - We eliminate the lower bound function altogether.

Now, we define a new notion of circulation in the above graph as follows: a function  $f : E \rightarrow \mathbb{R}$  is a *circulation* if the following conditions are satisfied:

- $f(v, w) = -f(w, v)$  for all  $(v, w) \in E$ ,
- $f(e) \leq u(e)$  for all  $e \in E$ , and
- $\sum_{(v,w) \in E} f(v, w) = 0$ .

Let us note that the new formulation is equivalent to the old one. For each old edge  $(v, w)$ , we have that  $f(v, w) \geq l(v, w)$  iff  $-f(v, w) \leq -l(v, w)$ . So the new opposite edges enforces the lower bound of the flow.

If  $(v, w)$  is one of the edge in the graph of the previous formulation. The cost this edge incurs is  $c(v, w)f(v, w)$ . In the new formulation, there is also a flow of value  $-f(v, w)$  going across  $(w, v)$ . So the cost incurs by the edge  $(v, w)$  is actually

$$c(v, w)f(v, w) + c(w, v)f(w, v) = c(v, w)f(v, w) + (-c(v, w))(-f(v, w)) = 2c(v, w)f(v, w).$$

Hence, the cost of the circulation in the new formulation is two times that in the old formulation.

- **Lemma 1.2.** *Given one instance of the min-cost circulation problem, we can find whether there is a feasible solution by running a single max flow.*

*Proof.* We revert the problem back to the version with demand. Let  $(G, u, l, c)$  be an instance of the min-cost circulation problem. For vertex  $v$ , define its *demand*  $b(v)$  as  $\sum_{(v,w) \in E} l(v,w) - \sum_{(w,v) \in E} l(w,v)$ . We construct a new instance  $(G', u')$  for max flow problem as follows:

- $G'$  is obtained by adding a source vertex  $s$  and a sink vertex  $t$  to  $G$ .
- For any edge  $(v, w)$  in  $G$  with positive capacity, we set  $u'(v, w) = u(v, w) - l(v, w)$ .
- For any vertex  $v$  in  $G'$  with  $b(v) > 0$ , we create an edge  $(v, t)$  with  $u'(v, t) = b(v)$ .
- For any vertex  $v$  in  $G'$  with  $b(v) < 0$ , we create an edge  $(s, v)$  with  $u'(s, v) = -b(v)$ .

Note that it is the case that  $\sum_{v \in V} b(v) = 0$ . Let  $B = \sum_{b(v) > 0} b(v) = -\sum_{b(v) < 0} b(v)$ .

It should be clear a max flow of value  $B$  yields a feasible circulation, and vice versa.  $\square$

## 2 Optimality Conditions

- From now on, let  $G = (V, E)$  be a graph such that each directed edge has a backward edge. Let  $(G, u, c)$  be a flow network, and  $f$  be a circulation in it.
- The *residual network*  $(G_f, u_f, c)$  is given by:
  - $G_f = (V, E_f)$  where  $E_f$  is the set of edges such that  $u(e) - f(e) > 0$ .
  - $u_f(e) = u(e) - f(e)$  for all  $e \in E_f$ , and
- A function  $p : V \rightarrow \mathbb{R}$  is called a *potential function* or a *price function*.
- Let  $p$  be a price function, and  $c$  be a cost function in network. The *reduced cost function*  $c^p$  is defined as:  $c^p(v, w) = c(v, w) + c(v) - c(w)$ .
- If  $\Gamma$  is a cycle in  $G$  and  $c$  is a cost function, let  $c(\Gamma) = \sum_{e \in \Gamma} c(e)$ .
- **Claim 2.1.** *For any cycle  $\Gamma$ , we have  $c(\Gamma) = c^p(\Gamma)$ .*

*Proof.* Let  $\Gamma = (v_1, v_2), (v_2, v_3), \dots, (v_k, v_1)$ . We have

$$\begin{aligned} c^p(\Gamma) &= c^p(v_1, v_2) + c^p(v_2, v_3) + \dots + c^p(v_k, v_1) \\ &= [c(v_1, v_2) + p(v_1) - p(v_2)] + [c(v_2, v_3) + p(v_2) - p(v_3)] + \dots + [c(v_k, v_1) + p(v_k) - p(v_1)] \\ &= [c(v_1, v_2) + c(v_2, v_3) + \dots + c(v_k, v_1)] + [p(v_1) - p(v_2) + p(v_2) - p(v_3) + \dots + p(v_k) - p(v_1)] \\ &= c(v_1, v_2) + c(v_2, v_3) + \dots + c(v_k, v_1) = c(\Gamma). \end{aligned}$$

- If  $c$  is a cost function and  $f$  a circulation, let  $c \cdot f = \sum_{e \in E} c(e)f(e)$ .
- **Claim 2.2.** *For any cost function  $c$  and price function  $p$  and circulation  $f$ , we have*

$$c \cdot f = c^p \cdot f.$$

*Proof.*

$$\begin{aligned}
c^p \cdot f &= \sum_{(v,w) \in E} c^p(v,w) f(v,w) \\
&= \sum_{(v,w) \in E} (c(v,w) + p(v) - p(w)) f(v,w) \\
&= \sum_{(v,w) \in E} c(v,w) + \sum_{(v,w) \in E} p(v) f(v,w) - \sum_{(v,w) \in E} p(w) f(v,w) \\
&= c \cdot f + \sum_{(v,w) \in E} p(v) f(v,w) - \sum_{(v,w) \in E} p(v) f(w,v) \\
&= c \cdot f + \sum_{(v,w) \in E} p(v) (f(v,w) - f(w,v)) \\
&= c \cdot f + \sum_{v \in V} p(v) \left( \sum_{(v,w) \in E} f(v,w) - \sum_{(w,v) \in E} f(w,v) \right) \\
&= c \cdot f.
\end{aligned}$$

The last equality is true because  $\sum_{(v,w) \in E} f(v,w) = \sum_{(w,v) \in E} f(w,v) = 0$  because of flow conservation.  $\square$

• **Theorem 2.3.** *The following statements are equivalent:*

- (a)  *$f$  is a minimum-cost circulation.*
- (b) *There is no negative-cost cycle in the residual network  $G_f$ .*
- (c) *There exists a price function  $p$  such that  $c^p(e) \geq 0$  for all  $e \in E_f$ .*

*Proof.*  $(\neg(b) \rightarrow \neg(a))$  Augment along the negative-cost cycle gives a circulation with the lower cost.

$(\neg(a) \rightarrow \neg(b))$  Let  $f$  be a feasible circulation that is not of minimum-cost. Let  $f^*$  be feasible circulation with minimum-cost. We have that  $f^* - f$  is a circulation that is feasible in  $G_f$  (because  $f^*(v,w) - f(v,w) \leq u(v,w) - f(v,w)$ ). Since  $f^*$  has lower cost than  $f$ , we have that  $f^* - f$  has negative cost. We can decompose  $f^* - f$  into cycles, and at least one cycle must be of negative cost.

$((b) \rightarrow (c))$  Start with  $G_f$ . Construct a new vertex  $s$  and connect  $s$  to every vertex  $v$  with  $c(s,v) = 0$ . Since there is no negative cycle, the shortest path distance is well-defined. Now, define  $p(s) = 0$ , and  $p(v) =$  shortest path distance from  $s$  to  $v$ , taking  $c$  is the length of each edge.

By property of shortest path distance, we have that  $p(w) \leq p(v) + c(v,w)$  for all edge  $(v,w) \in E_f$ . Hence,  $c^p(v,w) = c(v,w) + p(v) - p(w) \geq 0$ .

$((c) \rightarrow (b))$  By Claim 2.2,  $c(\Gamma) = c^p(\Gamma)$  for any cycle  $\Gamma$ . Since  $c^p(e) \geq 0$  for all  $e \in E$ , we have that all cycle has positive cost.  $\square$

### 3 Cycle Canceling Algorithm

- The above theorem gives a simple algorithm for finding min-cost flow. Just find a negative-cost cycle and augment along it. Repeat until there are no negative-cost cycle.

This algorithm is called Klein's algorithm.

- **Theorem 3.1.** *Let  $(G, u, c)$  be a network with integer capacity and integer cost. Let  $U = \max_{e \in E} \{u(e)\}$  and  $C = \max_{e \in E} \{|c(e)|\}$ . Then, Klein's algorithm runs in  $O(m^2 n U C)$ .*

*Proof.* We can find a negative cycle in  $O(mn)$  using Bellman–Ford algorithm. The minimum-cost is bounded below by  $-mUC$ . Each negative cycle decreases the cost of the circulation by at most  $-1$ . So  $mUC$  cycles suffice.  $\square$

## 4 Minimum Mean-Cost Cycle Canceling Algorithm

- For any cycle  $\Gamma$ , we define its *mean cost*  $\mu(\Gamma) = c(\Gamma)/|\Gamma|$ .
- Let  $\mu^*$  be the minimum mean cost of all cycles. In other words,  $\mu^* = \min_{\Gamma} \mu(\Gamma)$
- Instead of picking any negative-cost cycle, this algorithm picks the one with cost  $\mu^*$  and augment along that cycle.  
Let  $C = \max_{e \in E} \{ |c(E)| \}$ . It can be shown that only  $O(m^2 n \log n)$  augmentation suffices. We will not be showing why this is true.
- An interesting problem is how to find the minimum mean cost cycle. We will present two algorithms: one with complexity  $O(mn \log(n^2 C))$  and the other with complexity  $O(mn)$ .
- In the  $O(mn \log(n^2 C))$  algorithm, we assume that the edges have integer costs. The idea is to binary search for  $\mu^*$ . We know that  $\mu^* \in [-C, C]$  so we can set the search interval accordingly.  
Suppose that we guess  $\mu^* = a$ . We will subtract  $a$  from all the edge cost of the graph. Notice that for any cycle, its mean cost is reduced by  $a$ . We have the following case.
  - If  $\mu^* \geq a$ , then all the cycles have positive mean cost, and thus they have positive cost.
  - If  $\mu^* = a$ , then there exists some cycle with zero cost, but none of the cycles have negative cost.
  - If  $\mu^* < a$ , then some cycles have negative cost.

We can check whether there is a negative-cost cycle by running Bellman–Ford algorithm, which takes  $O(mn)$  time.

How many iterations do we need? Since the denominator of  $\mu^*$  is an integer from 1 to  $n$ , we have that two candidate values for  $\mu^*$  cannot differ by more than  $1/n^2$ . So, when the interval is smaller than  $1/n^2$ , we can be sure that only one candidate is inside. Hence, we need at most  $O(\log(n^2 C))$  iterations to shrink the interval to this size.

Once the interval is small enough, we can find the value by searching through all possible denominators, which takes  $O(n)$  time. Overall, the algorithm takes  $O(mn \log(n^2 C))$  time.

- Once we find  $\mu^*$ , how can we find a cycle with minimum mean cost?  
We first subtract  $\mu^*$  from all edge cost. Since there is no negative-cost cycle, by Theorem 2.3 there exists a price function  $p$  such that  $c^p(e) \geq 0$  for all  $e \in E$ . This function can be founded by taking  $p(v) =$  the shortest path distance from a new vertex  $s$  with an edge of cost 0 pointing to every vertex.  
Now, the cycle with minimum mean cost turns into a cycle with zero cost. Since all edges have non-negative cost, the cycle has to consists only of edges with zero cost. We can locate all those edges and find a cycle formed by them.
- The  $O(mn)$  algorithm is rather involved. We start with a definition.

**Definition 4.1.** Let  $v$  be a vertex and  $k$  be a non-negative integer. Define  $d_k(v)$  to be the cost of a walk containing exactly  $k$  edges ending at  $v$  with the least possible cost.

Then,  $\mu^*$  can be characterized as follows:

**Lemma 4.2.**

$$\mu^* = \min_{v \in V} \max_{0 \leq k \leq n-1} \left\{ \frac{d_n(v) - d_k(v)}{n - k} \right\}$$

*Proof.* Let  $\alpha$  denote the RHS of the equation. Notice that if we subtract  $a$  from all the edge cost then  $\alpha$  is reduced by  $a$  as well. Hence, we can show that  $\mu^* = \alpha$  by working in a graph where  $\mu^*$  is subtracted from the cost of all edge and show that  $\alpha = 0$  in this graph. Note that, in this graph, all cycles have positive cost, and there is at least one cycle with zero cost.

( $\alpha \geq 0$ ) Let

$$\alpha(v) = \max_{0 \leq k \leq n-1} \frac{d_n(v) - d_k(v)}{n - k}.$$

Let  $v$  be the vertex where  $\alpha(v)$  is minimum. Let  $p$  be the walk of length  $n$  ending at  $v$  with minimum cost, i.e.,  $c(p) = d_n(v)$ . Since  $p$  has length  $n$ , it must contain a cycle. Thus, we can compose  $p$  into a cycle  $\pi$  and a path  $\tau$  leading to  $v$ . Let  $j$  be the number of edges in  $\tau$ . We must have that  $c(\tau) = d_j(v)$ , otherwise  $p$  would not have been the shortest walk. So,

$$\alpha(v) = \max_{0 \leq k \leq n-1} \frac{d_n(v) - d_k(v)}{n - k} \geq \frac{d_n(v) - d_j(v)}{n - j} = \frac{c(\tau)}{n - j} \geq 0.$$

( $\alpha \leq 0$ ) Let  $\Gamma$  be a cycle with cost 0, and let  $v$  be a vertex in the cycle.

Consider the sequence  $d_0(v), d_1(v), d_2(v), \dots$ . We claim that there exists  $r$  such that  $d_r(v)$  is minimum and  $r < n$ . That is, Suppose that  $r \geq n$ . Since the walk that achieves  $d_r(v)$  has at least  $n$  edges, it must contain a cycle. We can take the cycle out without increasing  $d_r(v)$  until there  $r < n$ .

Let  $\eta$  be a walk from  $v$  that proceeds along the cycle for  $n - r$  hops, and let the last vertex in the hop be  $w$ . Let  $\tau$  be the walk from  $w$  along the cycle to  $v$ . We have that  $c(\tau) + c(\eta) = 0$ . So, for any  $k$ , we have that

$$d_k(w) = d_v(w) + c(\tau) + c(\eta) \geq d_r(v) + c(\eta) \geq d_n(w).$$

The inequality  $d_v(w) + d(\tau) \geq d_r(v)$  comes from the fact that  $d_v(w) + d(\eta)$  is the length of a path to  $v$ . Moreover,  $d_r(v) + c(\eta) \geq d_n(v)$  because  $d_r(v) + c(\eta)$  is the length of a path of length  $n$  to  $w$ . Hence,  $d_n(w) - d_k(w) \leq 0$ . So,  $\alpha \leq 0$ .  $\square$

- The  $O(mn)$  algorithm computes  $d_k(v)$  for all  $0 \leq k \leq n$  and  $v \in V$ , which can be done by dynamic programming in  $O(mn)$ . It then compute  $\mu^*$  according to the formula given by Lemma 4.2, and then uses  $\mu^*$  to find the minimum mean cost cycle.

## 5 Cost Scaling Algorithm

- A potential function is said to be  $\epsilon$ -optimal if  $c^p(e) \geq -\epsilon$  for all  $e \in E$ .
- Let  $f$  be a circulation. Define  $\epsilon(f)$  to be the minimal  $\epsilon$  such that there exists a potential function that is  $\epsilon$ -optimal in  $G_f$ .
- Let  $\mu^*(f)$  be the mean cost of the cycle in  $G_f$  with the minimum cost.
- **Lemma 5.1.**

$$\mu^*(f) = -\epsilon(f)$$

*Proof.* ( $\mu^*(f) \leq -\epsilon(f)$ ) Subtract  $\mu^*(f)$  from all edge cost in the residual graph. Add a new vertex  $s$  and add edge  $(s, v)$  with cost 0 to all  $v \in V$ . Define  $p(v)$  to be the shortest path distance from  $s$  to  $v$ . We know that  $p(w) \leq p(v) + c(v, w) - \mu^*(f)$  for all edges in  $G_f$ . Hence,  $c(u, v) + p(v) - p(w) \geq \mu^*(f)$ . Therefore,  $p$  is  $-\mu^*(f)$ -optimal, which means that  $\epsilon(f) \leq -\mu^*(f)$  or  $\mu^*(f) \leq -\epsilon(f)$ .

( $\mu^*(f) \geq -\epsilon(f)$ ) Let  $p$  be a position function that is  $\epsilon(f)$ -optimal. Take any cycle  $\Gamma$  with the minimum negative mean cost in  $G_f$ . We have that  $|\Gamma|\mu^*(f) = c(\Gamma) = c^p(\Gamma) \geq -|\Gamma|\epsilon(f)$ . Therefore,  $\mu^*(f) \geq -\epsilon(f)$ .  $\square$

- **Lemma 5.2.** *In a network with integer cost, if  $\epsilon(f) < 1/n$ , then  $f$  is the min-cost circulation.*

*Proof.* Let  $p$  be a potential function that is  $\epsilon(f)$  optimal. Take any cycle  $\Gamma$  of length at most  $n$  in  $G_f$ . We have that  $c(\Gamma) = c^p(\Gamma) \geq |\Gamma|\mu^*(f) = -|\Gamma|\epsilon(f) > -|\Gamma|/n = -1$ . Since the cost of the cycle is integral, we have that  $c(\Gamma) \geq 0$ .

Now, for any cycle of length more than  $n$ , we can break it to a number of cycles of length at most  $n$ . So, its cost is greater than or equal to 0 as well. In conclusion, there is no negative-cost cycle, and  $f$  is optimal.  $\square$

- The idea of cost-scaling algorithm is that, when we start with  $f = 0$ , we have that  $\epsilon(f) \leq C$ . We will then do something to the flow so that  $\epsilon(f)$  is reduced by a half until it is less than  $1/n$ , which at that point we have an optimal flow. Hence, we will need  $\log(nC)$  iterations.
- A function  $f : E \rightarrow \mathbb{R}$  is said to be a *preflow* if it satisfies the following condition:
  - $f(v, w) = -f(w, v)$ , and
  - $f(v, w) \leq u(v, w)$

for all  $(v, w) \in E$ .

- Let  $f$  be a preflow. We define the *excess* of vertex  $v$ , denoted by  $e^f(v)$  as

$$e^f(v) = \sum_{(v, w) \in E} f(v, w).$$

Intuitively, a vertex with positive excess has left-over flow to send out. One with negative excess needs flow to come in.

- Obviously, if all vertices' excesses are zero, then the preflow is a circulation.
- We now describe an algorithm that takes in
  - a circulation  $f'$ , and
  - a potential function  $p'$  that is  $2\epsilon$ -optimal in  $G_{f'}$

and produces a

- a circulation  $f$ , and
- a potential function  $p$  that is  $\epsilon$ -optimal in  $G_f$ .

We first set  $f = f'$  and  $p = p'$ . We then make  $p$  0-optimal by saturating any edges with  $c^p(e) < 0$ , thereby removing them from  $G_f$ . However, this makes  $f$  a preflow, not a circulation.

The rest of the process is to make  $f$  a circulation again, while maintaining  $\epsilon$ -optimality of  $p$ . This is done by a push/relabel type of algorithm as follows:

- **Push:** If there is an edge  $(v, w)$  such that  $e^f(v) > 0$  and  $u^f(v, w) > 0$  and  $c^p(v, w) < 0$ , we push  $\min\{e^f(v), u^f(v, w)\}$  through the edge.
- **Relabel:** For any vertex  $v$  with no edges that flow can be pushed through, we set

$$p(v) = \max_{(v,w) \in E} \{p(w) - c(v, w) - \epsilon\}$$

Note that setting  $p(v)$  to this value makes  $c^p(v, w) = p(v) - p(w) + c(v, w) \geq -\epsilon$  for all edges going out from  $v$ .

The above description can be summarized into the following pseudocode.

FIND- $\epsilon$ -OPT-CIRC( $f', p', \epsilon$ )

- 1 Set  $f = f'$  and  $p = p'$ .
- 2 For all  $e \in E_f$  such that  $c^p(e) < 0$ , set  $f(e) = u(e)$ .
- 3 **while** there exists  $v$  such that  $e^f(v) > 0$
- 4     **if** there exists  $(v, w)$  such that  $u^f(v, w) > 0$  and  $c^p(v, w) < 0$
- 5         Push flow  $\min\{u^f(v, w), e^f(v)\}$  through  $(v, w)$ .
- 6     **else** Set  $p(v) = \max_{(v,w) \in E} \{p(w) - c(v, w) - \epsilon\}$ .

Using the FIFO implementation of Push/Relabel algorithm, the routine FIND- $\epsilon$ -OPT-CIRC( $f', p', \epsilon$ ) runs in  $O(n^3)$  time.

- Hence, the cost scaling algorithm takes  $O(n^3 \log(nC))$  time.

## 6 Capacity Scaling Algorithm

- The capacity scaling algorithm tries to maintain a preflow that is 0-optimal on subgraphs with residual capacity more than  $\Delta$ . It then divides  $\Delta$  until  $\Delta < 1$ , at which point the preflow becomes the optimal circulation.

Initially, we set  $f = 0$ ,  $p = 0$ , and  $\Delta = U = \max_{e \in E} u(e)$ .

Let

$$A^f(\Delta) = \{e \in E : u^f(e) \geq \Delta\}.$$

The algorithm looks for any edge  $e \in A^f(\Delta)$  such that  $c^p(e) < 0$ . It then pushes  $\Delta$  amount of flow through the edge. This creates a preflow where some nodes have positive excesses and some have negative excesses. Let

- $S^f(\Delta) = \{v \in V : e^f(v) \geq \Delta\}$ , and
- $T^f(\Delta) = \{v \in V : e^f(v) \leq -\Delta\}$ .

The algorithm then tries to move  $\Delta$  unit of flow from a vertex in  $S^f(\Delta)$  to one in  $T^f(\Delta)$  until  $S^f(\Delta) = \emptyset$  or  $T^f(\Delta) = \emptyset$ , while maintaining 0-optimality of  $p$ . It then divides  $\Delta$  by 2 and proceed with the above process again.

Note that it must be possible to move flow from a vertex to any other vertex in other for the algorithm to work. This can be made possible by adding edges with infinite capacity but with high cost to the graph.

- **Lemma 6.1.** *In a network with integer capacity, when  $\Delta < 1$ , then  $f$  is an optimal circulation.*

*Proof.* After the algorithm finishes  $S^f(\Delta) = \{v \in V : e^f(v) \geq 1\} = \emptyset$  and  $T^f(\Delta) = \{v \in V : e^f(v) \leq -1\} = \emptyset$ . This implies that all  $e^f(v) = 0$ . So  $f$  is a circulation.

When  $\Delta < 1$ , then  $A^f(\Delta)$  is the whole graph  $G_f$ . Since  $p$  is 0-optimal, we have that  $G_f$  has no negative-cost cycle.  $\square$



- How do we send  $\Delta$  unit of flow from a vertex in  $S^f(\Delta)$  to a vertex in  $T^f(\Delta)$  while maintaining 0-optimality of  $p$ ? We do this as follows:
  - Find a vertex  $s \in S^f(\Delta)$ .
  - Compute  $\hat{p}(v)$  = shortest path distance from  $s$  to  $v$  using  $c^p(e)$  as length of edge  $e$ . This can be done because  $p$  is 0-optimal.
  - Compute a shortest path from  $s$  to some vertex in  $T^f(e)$ . Push  $\Delta$  unit of flow along the shortest path.
  - Update  $p(v) = p(v) + \hat{p}(v)$ .

This procedure amounts to running Dijkstra's algorithm one time. So it takes  $O(m + n \log n)$  time.

- It can be shown that the total amount of excess after saturating edges is at most  $2\Delta(n + m)$ . Hence,  $O(m + n)$  flow pushing is enough before we halve  $\Delta$ . Therefore, the whole algorithm takes  $O((m + n)(m + n \log n) \log U) = O(m^2 \log U)$  time.