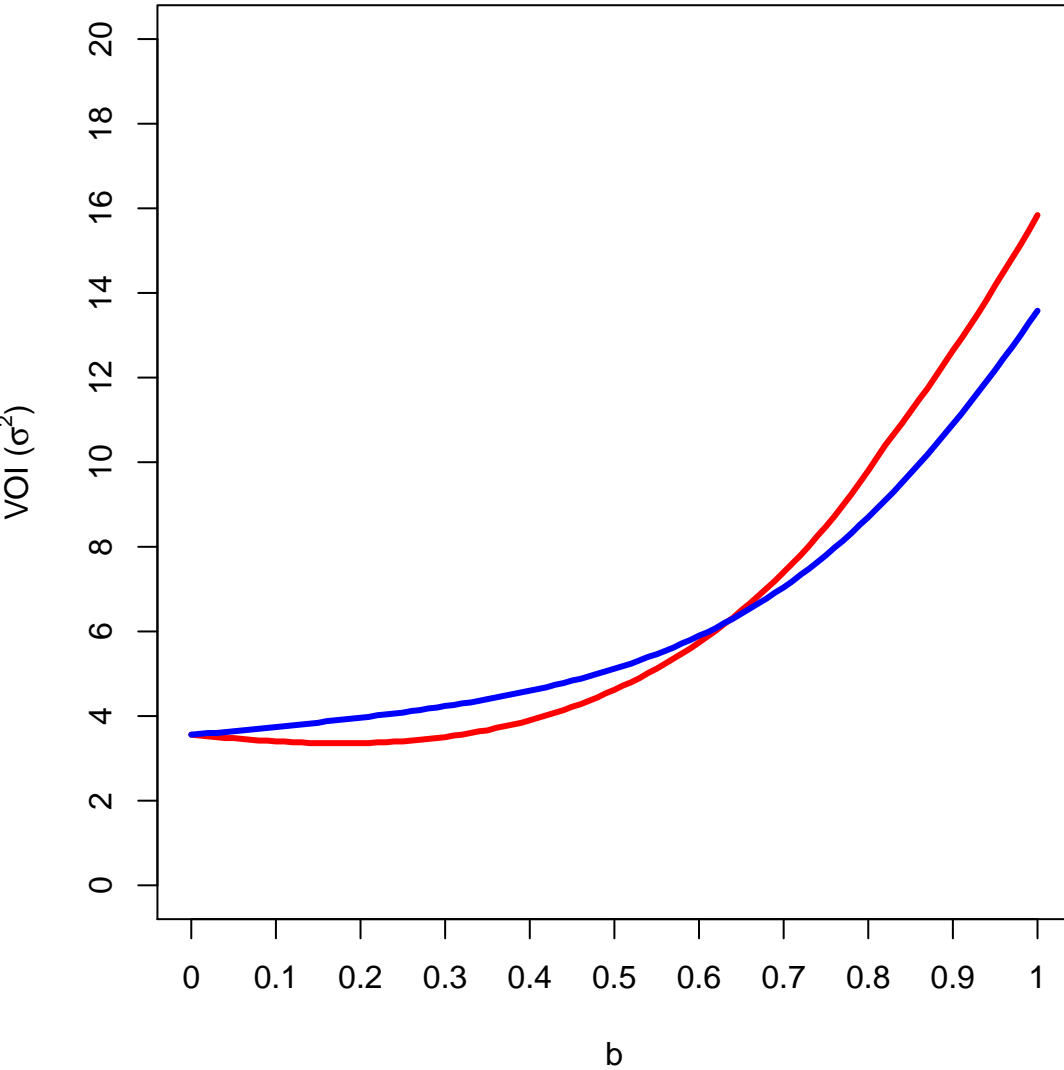


$$\Delta = 1.2$$

**(a) Firms' Strategic Choices**



**(b) Socially Efficient Strategies**

