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# Piecewise Deterministic Markov Modeling for Traffic/Maintenance and Associated Hamilton-Jacobi Integro-differential Systems on Networks

Dan Goreac<sup>\*†‡</sup>, Magdalena Kobylanski<sup>\*§</sup>, Miguel Martinez<sup>\*¶</sup>

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## Abstract

We study optimal control problems in infinite horizon when the dynamics belong to a specific class of piecewise deterministic Markov processes constrained to star-shaped networks (inspired by traffic models). We adapt the results in [19] to prove the regularity of the value function and the dynamic programming principle. Extending the networks and Krylov's "shaking the coefficients" method, we prove that the value function can be seen as the solution to a linearized optimization problem set on a convenient set of probability measures. The approach relies entirely on viscosity arguments. As a by-product, the dual formulation guarantees that the value function is the pointwise supremum over regular subsolutions of the associated Hamilton-Jacobi integro-differential system. This ensures that the value function satisfies Perron's preconization for the (unique) candidate to viscosity solution. Finally, we prove that the same kind of linearization can be obtained by combining linearization for classical (unconstrained) problems and cost penalization. The latter method works for very general near-viable systems (possibly without further controllability) and discontinuous costs.

**Mathematics Subject Classification.** 49L25, 93E20, 60J25, 49L20

## 1 Introduction

This paper aims at the study of optimal control problems in infinite horizon when the dynamics belong to a specific class of piecewise deterministic Markov processes constrained to networks. The starting point is a model inspired by traffic. Our point of view is the one of a traffic regulator who observes the generic traffic  $X$ . and has the possibility to intervene in the regulation by imposing speed limits via some (external) control. In this basic model, the generic vehicle should remain on some star-shaped network containing several edges bound to a common intersection. At the same time as the traffic, the regulator should ensure the maintenance of the network by observing a second (pure jump) component  $\Gamma$ . (known as mode). The functionality of the network evolves stochastically and damage to a specific edge occurs exponentially distributed with a parameter  $\lambda(X, \Gamma, \alpha)$  depending on the traffic, on the previous state of the network and on regulator's control

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policy  $\alpha$ . In this context of controlled switched Piecewise Deterministic Markov Processes (PDMP), the regulator seeks to minimize its (discounted) operating cost

$$v^\delta(x, \gamma) := \inf_{\alpha, X^{x, \gamma, \alpha} \in \text{network}} \mathbb{E} \left[ \int_0^\infty e^{-\delta t} l_{\Gamma_t^{x, \gamma, \alpha}}(X_t^{x, \gamma, \alpha}, \alpha_t) dt \right].$$

In this paper, we study the Hamilton-Jacobi integrodifferential systems on networks associated to the previous control problem.

To our best knowledge, for deterministic dynamics, the constrained optimal control problem with continuous cost was studied for the first time in [18] (see also [19] for a stochastic framework). The value function of an infinite horizon control problem with space constraints was characterized as a continuous solution to a corresponding Hamilton–Jacobi–Bellman equation. For discontinuous cost functionals, the deterministic control problem with state constraints was studied in [9], [10], [16] using viability theory tools. However, the results of these papers do not directly apply to (deterministic) control problems on star-shaped networks. Several very recent results are available on this subject when dealing with deterministic systems (cf. [1], [3], [14], [17], [2]). The cited papers rely on Bellman’s approach for the existence of solutions of the associated Hamilton-Jacobi equation and propose several methods for the uniqueness part.

For our control problem governed by a switch PDMP with characteristic triple  $(f, \lambda, Q)$  (cf. [8], see also Section 2 for the explicit construction), we proceed as follows. In the first part, we prove that  $v^\delta$  satisfies, in some generalized viscosity sense the associated Hamilton-Jacobi integrodifferential equation. As in the deterministic counterpart, we use Bellman’s approach. We begin Section 4 with proving the regularity of the deterministic value function and the dynamic programming principle (DPP) for this case. For available (active) roads, the controllability assumptions are the same as those in [1]. However, entering inactive roads from intersection should be prohibited and other assumptions must be made for this case in order to guarantee the uniform continuity of the value function. Next, we iterate the value functions and the DPP between jumps to prove the uniform continuity of the (stochastic) value function and the DPP. As a by-product, we prove that the value function satisfies in a (relaxed) viscosity sense the associated Hamilton-Jacobi integrodifferential system (in Section 5).

We then focus on a different notion of uniqueness (in Section 6): The well-known method of Perron consists in proposing the supremum over regular subsolution as candidate to the viscosity solution. Using this intuition, we proceed backward and prove that the value function given in the previous section is the pointwise supremum over such regular subsolutions (with a slightly modified notion). The major argument in proving this result is to extend the intersection with some additional directions and impose convenient extensions of the dynamics. Then, we adapt Krylov’s “shaking the coefficients” method (cf. [15], [4]) to exhibit a sequence of regular subsolutions of our Hamilton-Jacobi system converging to the initial control problem. These arguments allow the linearization of the value function. It is shown (in Theorem 27) that the value function can be interpreted in connection to an optimization problem set on a family of convenient probability measures. This family is completely described by the Dynkin operator of our process. Moreover, the dual value allows one to state that the initial value function is, indeed, the pointwise supremum over regular subsolutions.

Finally, we present a different approach which is independent of the structure of our network and/or controllability assumptions. The linearization techniques allow us to extend the results to more general networks in Section 7. We assume merely near-viability conditions and consider lower semicontinuous cost functions. Then, the classical penalization of the cost function with a term involving the distance to the (general) set of constraints is shown to converge to the primal linear value function stated on the same family of probability measures as before (Section 6). The dual value links, as before, the value function to the candidate in Perron’s method. This part generalizes the approach in [12].

The paper is organized as follows. In Section 2, we recall the basic construction of piecewise deterministic Markov switch processes and give the main assumptions on the dynamics. We present our traffic model and introduce the different types of admissible controls and the controllability assumptions in Section 3. Section 4 is dedicated to the study of regularity of the value function and the dynamic programming principles. The basic ingredient is the technical projection Lemma 6 allowing to prove the uniform continuity of the value function in the deterministic setting (in Theorem 8). We proceed as in [19] by iterating the value function and the dynamic programming principle. In Section 5, we introduce a sequential relaxation of the dynamics and prove that the regular value function exhibited before satisfies, in some generalized viscosity sense, the associated Hamilton-Jacobi integrodifferential system. Section 6 is dedicated to the linearization of our value function. We begin with extending the graph and the dynamics by mirroring the trajectories in the inactive case and using the inertia otherwise. We briefly present the adaptation of Krylov's "shaking the coefficients" method and exhibit a family of regular subsolutions converging to the initial value function (in Theorem 25). The main ingredients in proving the convergence are successive projection arguments given by Lemmas 23 and 24 (whose proofs are postponed to the Appendix). The main result (Theorem 27) shows that the value function can be interpreted in connection to an optimization problem set on a family of convenient probability measures. Moreover, the dual of this problem allows one to characterize the value as the pointwise supremum over regular subsolutions (as predicted by Perron's method). Finally, in Section 7 we present a penalization approach leading to the same kind of value function. The advantage of the latter method is that it needs neither controllability assumptions on the coefficients nor the continuity of the cost functional. It is, therefore, applicable to (more) general settings and discontinuous costs.

## 2 Standard construction of controlled switched PDMPs

We consider  $A$  (the control space) to be a compact subspace of a metric space  $\mathbb{R}^d$  and  $\mathbb{R}^m$  be the state space, for some  $d, m \geq 1$ . Moreover, we consider a finite set  $E$ .

We summarize the construction of controlled piecewise deterministic Markov processes (PDMP) of switch type (cf. [6], [7], [8]) having as characteristic triple  $f_\gamma : \mathbb{R}^m \times A \longrightarrow \mathbb{R}^m$ ,  $\lambda : \mathbb{R}^m \times E \times A \longrightarrow \mathbb{R}_+$  and  $Q : \mathbb{R}^m \times E^2 \times A \longrightarrow [0, 1]$ . These functions are assumed to satisfy some usual continuity conditions (to be made precise at the end of the section). We let  $\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A)$  denote the space of  $A$ -valued Borel measurable functions defined on  $\mathbb{R}^m \times E \times \mathbb{R}_+$ . Whenever  $\alpha_1 \in \mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A)$  and  $(t_0, x_0, \gamma_0) \in \mathbb{R}_+ \times \mathbb{R}^m \times E$ , we consider the ordinary differential equation

$$\begin{cases} dy_{\gamma_0}(t; t_0, x_0, \alpha_1) = f_{\gamma_0}(y_{\gamma_0}(t; t_0, x_0, \alpha_1), \alpha_1(x_0, \gamma_0, t - t_0)) dt, & t \geq t_0, \\ y_{\gamma_0}(t_0; t_0, x_0; \alpha_1) = x_0. \end{cases}$$

For the sake of simplicity, whenever  $t_0 = 0$ , we denote by  $y_{\gamma_0}(t; x_0, \alpha_1)$  the solution of the previous ordinary differential equation such that  $y_{\gamma_0}(0; x_0, \alpha_1) = x_0$ .

We choose the first jump time  $\tau_1$  such that the jump rate  $\lambda(y_{\gamma_0}(t; x_0, \alpha_1), \gamma_0, \alpha_1(x_0, \gamma_0, t))$  satisfies

$$\mathbb{P}(\tau_1 \geq t) = \exp\left(-\int_0^t \lambda(y_{\gamma_0}(s; x_0, \alpha_1), \gamma_0, \alpha_1(x_0, \gamma_0, s)) ds\right).$$

The controlled piecewise deterministic Markov processes (PDMP) is defined by

$$(X_t^{x_0, \gamma_0, \alpha}, \Gamma_t^{x_0, \gamma_0, \alpha}) = (y_{\gamma_0}(t; x_0, \alpha_1), \gamma_0), \text{ if } t \in [0, \tau_1].$$

The post-jump location is denoted by  $(Y_1, \Upsilon_1)$  and has  $\delta_{y_{\gamma_0}(\tau; x_0, \alpha)} \times Q(y_{\gamma_0}(\tau; x_0, \alpha), \gamma_0, \alpha_1(x_0, \gamma_0, \tau), \cdot)$  as conditional distribution given  $\tau_1 = \tau$ . Starting from  $(Y_1, \Upsilon_1)$  at time  $\tau_1$ , we select the inter-jump

time  $\tau_2 - \tau_1$  such that

$$\mathbb{P}(\tau_2 - \tau_1 \geq t \mid \tau_1, (Y_1, \Upsilon_1)) = \exp \left( - \int_{\tau_1}^{\tau_1+t} \lambda(y_{\Upsilon_1}(s; \tau_1, Y_1, \alpha_2), \Upsilon_1, \alpha_2(Y_1, \Upsilon_1, s - \tau_1)) ds \right),$$

where  $\alpha_2 \in \mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A)$ . We set

$$(X_t^{x_0, \gamma_0, \alpha}, I_t^{x_0, \gamma_0, \alpha}) = (y_{\Upsilon_1}(t; \tau_1, Y_1, \alpha_2), \Upsilon_1), \text{ if } t \in [\tau_1, \tau_2).$$

The post-jump location  $(Y_2, \Upsilon_2)$  satisfies

$$\mathbb{P}((Y_2, \Upsilon_2) \in \mathcal{Y} \times \mathcal{E} \mid \tau_2, \tau_1, Y_1, \Upsilon_1) = \mathbf{1}_{y_{\Upsilon_1}(\tau_2; \tau_1, Y_1, \alpha_2) \in \mathcal{Y}} Q(y_{\Upsilon_1}(\tau_2; \tau_1, Y_1, \alpha_2), \Upsilon_1, \mathcal{E}, \alpha_2(Y_1, \Upsilon_1, \tau_2 - \tau_1)),$$

for all Borel sets  $\mathcal{Y} \subset \mathbb{R}^m$  and  $\mathcal{E} \subset E$ . (Of course, the set  $E$  is endowed with the discrete topology.) And so on.

Throughout the paper, unless stated otherwise, we assume the following:

(A1) The functions  $f_\gamma : \mathbb{R}^m \times A \longrightarrow \mathbb{R}^m$  are uniformly continuous on  $\mathbb{R}^m \times A$  and there exists a positive real constant  $C > 0$  such that

$$(A1) \quad \langle f_\gamma(x, a) - f_\gamma(y, a), x - y \rangle \leq C |x - y|^2, \text{ and } |f_\gamma(x, a)| \leq C,$$

for all  $x, y \in \mathbb{R}^m$  and all  $a \in A$ .

(A2) The function  $\lambda : \mathbb{R}^m \times E \times A \longrightarrow \mathbb{R}_+$  is uniformly continuous on  $\mathbb{R}^m \times \{\gamma\} \times A$  and there exists a positive real constant  $C > 0$  such that

$$(A2) \quad |\lambda(x, \gamma, a) - \lambda(y, \gamma, a)| \leq C |x - y|, \text{ and } \lambda(x, \gamma, a) \leq C,$$

for all  $x, y \in \mathbb{R}^m$ , all  $\gamma \in E$  and all  $a \in A$ .

(A3) The function  $Q : \mathbb{R}^m \times E^2 \times A \longrightarrow [0, 1]$  is a stochastic matrix : i.e.  $\sum_{\gamma' \in E} Q(x, \gamma, \gamma', a) = 1$ , for all  $\gamma \in E$  and all  $(x, a) \in \mathbb{R}^m \times A$ . Moreover, we assume that  $Q(x, \gamma, \gamma, a) = 0$ , for all  $\gamma \in E$  and that there exists some positive real constant  $C > 0$  such that

$$(A3) \quad \sup_{\substack{a \in A \\ \gamma, \gamma' \in E}} |Q(x, \gamma, \gamma', a) - Q(y, \gamma, \gamma', a)| \leq C |x - y|.$$

(A4) The cost functions  $l_\gamma : \mathbb{R}^m \times A \longrightarrow \mathbb{R}$  are uniformly continuous on  $\mathbb{R}^2 \times A$  and there exists a positive real constant  $C > 0$  such that

$$(A4) \quad |l_\gamma(x, a) - l_\gamma(y, a)| \leq C |x - y|, \text{ and } |l_\gamma(x, a)| \leq C,$$

for all  $x, y \in \mathbb{R}^2$  and all  $a \in A$ .

**Remark 1** The assumptions (A1-A4) are quite standard when dealing with viscosity theory in PDMP. They appear under this form in [19] and are needed to infer the uniform continuity of the value function.

### 3 A traffic problem

We consider a traffic problem on a network given by :

- a family of vertex  $(e_j)_{j=1, N}$ , for some  $N \in \mathbb{N}^* \setminus \{1\}$ ,

- a central intersection denoted by  $O$ .

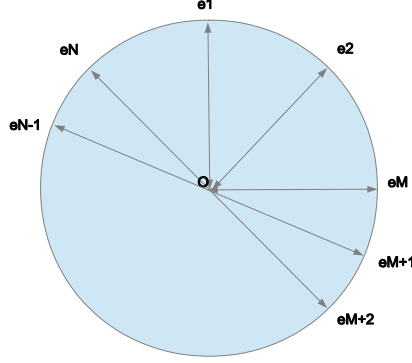


Fig. 1. The simple intersection

We let  $J_j := (0, 1) e_j$ , for all  $j = 1, N$ ,  $\mathcal{G} := \bigcup_{j=1, N} [0, 1) e_j$  and  $\overline{\mathcal{G}} := \bigcup_{j=1, N} [0, 1] e_j$ .

Our point of view is the one of a traffic regulator who observes the generic traffic and has the possibility to intervene in the regulation by imposing speed limits via some (external control). Given an initial point  $x \in \overline{\mathcal{G}}$ , the generic vehicle will move (in a continuous trajectory  $X_t$ ) on  $\overline{\mathcal{G}}$ . At the same time as the actual traffic, the regulator observes the quality of the road ( $\Gamma_t$ ) and distinguishes between roads which are functional (active) and those which need repairing (inactive). For functional roads, speeding up the traffic at the intersection in both directions is possible, whileas, in the inactive case, the road needs clearing up.

This leads to controlled switch PDMP dynamics  $(X_t^{x, \gamma, \alpha}, \Gamma_t^{x, \gamma, \alpha})$  governed by the speed of the vehicle  $f$ , a jump parameter  $\lambda$  depending on both the traffic and the quality of the road  $\lambda$  and a postjump transition  $Q$  specifying functionality of the network. We denote by  $E$  the family of all possible functionality variables (e.g.  $\{0, 1\}^N$ ) and introduce, for all  $j = 1, N$  a partition of  $E = E_j^{active} \cup E_j^{inactive}$ .

Given an intial couple describing the position and configuration  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ , we introduce the set of feasible (network-constrained) controls for the deterministic framework by setting

$$\mathcal{A}_{\gamma, x} := \left\{ \alpha : \mathbb{R}_+ \longrightarrow A : \alpha \text{ is Borel measurable, } y_\gamma(t; x, \alpha) \in \overline{\mathcal{G}}, \text{ for all } t \geq 0, \right\},$$

for all  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ . Of course, one needs to guarantee that these sets are nonempty. We also introduce the set of constant, locally-admissible controls for the deterministic problem by setting

$$A_{\gamma, x} = \left\{ a \in A : y_\gamma(t; x, \alpha) \in \overline{\mathcal{G}}, \text{ for some } \theta > 0 \text{ and all } t \in [0, \theta] \right\},$$

for all  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ .

Unless stated otherwise, throughout the paper, we will use the following assumptions.

**(Aa)** There exist nonempty subsets  $A^{\gamma,j} \subset A$  such that

$$\begin{aligned} A_{\gamma,x} &= A^{\gamma,j}, \text{ if } x \in J_j, \\ A_{\gamma,O} &= \bigcup_{j=1,N} \{a \in A^{\gamma,j} : f(O, a) \in \mathbb{R}_+ e_j\}, \\ A_{\gamma,e_j} &= \{a \in A^{\gamma,j} : \langle f_\gamma(e_j, a), e_j \rangle \leq 0\} \neq \emptyset, \end{aligned}$$

for all  $\gamma \in E$  and all  $j = 1, N$ . Moreover, we assume that, for every  $\gamma \in E$  and every  $j = 1, N$ , either  $A_{\gamma,e_j} = A^{\gamma,j}$  or, otherwise, there exists some  $\beta > 0$  and some  $a_{\gamma,j} \in A^{\gamma,j}$  satisfying

$$\langle f_\gamma(e_j, a_{\gamma,j}), e_j \rangle < -\beta.$$

**(Ab)** For all  $\gamma \in E_j^{\text{active}}$ , there exists some  $a_{\gamma,j}^+, a_{\gamma,j}^- \in A^{\gamma,j}$  such that

$$\langle f_\gamma(O, a_{\gamma,j}^+), e_j \rangle > \beta \text{ and } \langle f_\gamma(O, a_{\gamma,j}^-), e_j \rangle < -\beta.$$

For  $\gamma \in E_j^{\text{inactive}}$ , there exist some  $\beta > 0$ ,  $1 > \eta > 0$ ,  $\kappa \in [0, 1)$  and  $a_{\gamma,j}^-, a_{\gamma,j}^0 \in A^{\gamma,j}$  such that

$$\langle f_\gamma(x, a_{\gamma,j}^-), e_j \rangle \leq -\beta \langle x, e_j \rangle^\kappa,$$

for all  $x \in J_j$ ,  $|x| \leq \eta$  and  $f_\gamma(O, a_{\gamma,j}^0) = 0$ . Moreover,

$$\langle f_\gamma(x, a), e_j \rangle \leq 0,$$

for all  $a \in A^{\gamma,j}$  and all  $x \in J_j$ ,  $|x| \leq \eta$ .

**(Ac)** Whenever  $\gamma \in E_j^{\text{inactive}}$ ,  $l_\gamma(O, \alpha) = l_\gamma(O)$ .

**Remark 2** (i) The condition **(Ab)** states that if the road is functional (active), then one has a behavior similar to the one introduced in [1] (speeding up the traffic at the intersection in both directions is possible).

If the road is inactive, then, for the cars that have "just" entered the road, the only possibility is to move back into the intersection **(Ab)** (the road needs clearing up for repairing). A measure ( $a_{\gamma,j}^-$ ) is possible to get them off this inactive road within a controlled time and, eventually, they are allowed to stay in  $O$  (due to the control  $a_{\gamma,j}^0$ ) until the road is repaired.

The condition **(Ac)** is intended for technical reasons. It can be interpreted as : if the road is inactive, the presence of vehicles at the entrance of the road prevents the authority to intervene and repair the road and thus, involves high costs. However, if  $\{a \in A^{\gamma,j} : f(O, a) \in \mathbb{R}_+ e_j\} = A^{\gamma,j}$ , then **(Ac)** is no longer necessary.

(ii) Under the assumption **(Aa)**, if  $A_{\gamma,e_j} \neq A^{\gamma,j}$ , then there exists  $\frac{1}{2} > \eta > 0$  such that

$$\langle f_\gamma(x, a_{\gamma,j}), e_j \rangle < -\beta,$$

whenever  $|x - e_j| \leq \eta$ . Similarly, under the assumption **(Ab)**, for every  $\gamma \in E_j^{\text{active}}$  and some  $\eta > 0$ ,

$$\langle f_\gamma(x, a_{\gamma,j}^-), e_j \rangle < -\beta, \quad \langle f_\gamma(x, a_{\gamma,j}^+), e_j \rangle > \beta,$$

whenever  $|x| \leq \eta$ .

As we have hinted before, the set  $\mathcal{A}_{\gamma,x}$  needs not (in general) be nonempty. Nevertheless, these assumptions guarantee

**Proposition 3** Under the assumptions **(Aa)** and **(Ab)**, the set  $\mathcal{A}_{\gamma,x}$  is nonempty for all  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ .

**Proof.** If  $\gamma \in E_j^{active}$  and  $x \in [0, 0.5) e_j$ , we define

$$t_{x,\gamma,e_j}^+ := \inf \left\{ t > 0 : y_\gamma(t; x, a_{\gamma,j}^+) = e_j \right\},$$

If  $x \in [0.5, 1] e_j$ , we let

$$t_{x,\gamma,O}^- := \inf \{ t > 0 : y_\gamma(t; x, a) = O \},$$

where  $a$  is any point of  $A_{\gamma,e_j}$ . One notices that  $t_{x,\gamma,e_j}^+ \geq \frac{0.5}{\max(|f|_0, 1)}$  and  $t_{x,\gamma,O}^- \geq \frac{0.5}{\max(|f|_0, 1)}$ . For  $x \in [0, 0.5) e_j$ , we set

$$\alpha_{x,\gamma}^0(t) := \begin{cases} a_{\gamma,j}^+, & \text{if } t \in [0, t_{x,\gamma,e_j}^+) \cup [t_{x,\gamma,e_j}^+ + t_{e_j,\gamma,O}^-, t_{x,\gamma,e_j}^+ + t_{e_j,\gamma,O}^- + t_{O,\gamma,e_j}^+) \cup \dots, \\ a, & \text{otherwise.} \end{cases}$$

The estimates on  $t^{+,-}$  imply that  $\alpha_{x,\gamma}^0$  is defined on  $\mathbb{R}_+$ . Moreover, it is clear that  $\alpha_{x,\gamma}^0 \in A_{\gamma,x}$ . Similar construction holds true for  $x \in [0.5, 1] e_j$ . If  $\gamma \in E_j^{inactive}$ , one gets similar results by replacing  $a_{\gamma,j}^+$  with  $a_{\gamma,j}^0$ . (In fact, in this case, if  $t_{x,\gamma,O}^-$  is finite, then the solution stays at  $O$  after the time  $t_{x,\gamma,O}^-$ ). This concludes the proof of our assertion. ■

We introduce the set  $\mathcal{A}_{ad}$  given by

$$(1) \quad \mathcal{A}_{ad} := \left\{ \begin{array}{l} \alpha : \bar{\mathcal{G}} \times E \times \mathbb{R}_+ \longrightarrow A : \alpha \text{ is Borel measurable,} \\ X_t^{x_0, \gamma_0, \alpha} \in \bar{\mathcal{G}}, \text{ for all } t \geq 0, \mathbb{P}\text{-a.s., for all } (x_0, \gamma_0) \in \bar{\mathcal{G}} \times E \end{array} \right\}$$

Here,  $X_t^{x_0, \gamma_0, \alpha}$  is the continuous component of our PDMP constructed as in Section 2 by using  $\alpha_i = \alpha$ , for all  $i \geq 1$ .

**Remark 4** (a) Under the assumptions **(Aa, Ab)** it is clear that  $\mathcal{A}_{ad}$  is nonempty. In fact, it suffices to notice that all the times  $t^+, t^-$  in the previous proposition are measurable functions of  $(x, \gamma)$ .

(b) The set  $\mathcal{A}_{\gamma,x}$  can be seen as a subset of  $\mathcal{A}_{ad}$  by choosing some  $\bar{\alpha}_0 \in \mathcal{A}_{ad}$  and setting

$$\bar{\alpha}(y, \eta, t) = \begin{cases} \alpha(t), & \text{if } (y, \eta) = (x, \gamma), \\ \bar{\alpha}_0(y, \eta, t), & \text{otherwise,} \end{cases}$$

for all  $\alpha \in \mathcal{A}_{\gamma,x}$ .

**Example 5** Let us exhibit a simple example for which the previous assumptions (particularly (A1), (Aa-Ab)) are satisfied. We consider  $N = 3$  and  $e_1 = \begin{pmatrix} 0 \\ 1 \end{pmatrix}$ ,  $e_2 = \begin{pmatrix} 1 \\ 0 \end{pmatrix} = -e_3$ ,  $A = [-1, 1] e_1 \cup [-1, 1] e_2$ ,  $E = \left\{ \begin{array}{l} (0, 0, 0), (0, 1, 1), \\ (1, 0, 0), (1, 1, 1) \end{array} \right\} \subset \{0, 1\}^3$ ,

$$f_\gamma(x, a) = \gamma_1 \langle a, e_1 \rangle e_1 + \gamma_2 \langle a, e_2 \rangle e_2 - |a| \left[ \begin{array}{l} (1 - \gamma_1) \langle x, e_1 \rangle^{\frac{1}{2}} e_1 + (1 - \gamma_2) (\langle x, e_2 \rangle^+)^{\frac{1}{2}} e_2 \\ + (1 - \gamma_2) (\langle x, e_3 \rangle^+)^{\frac{1}{2}} e_3 \end{array} \right],$$

for  $x \in \mathbb{R} \times \mathbb{R}_+$ ,  $\gamma = (\gamma_1, \gamma_2, \gamma_3) \in E$ . Here,  $z^+ = \max(z, 0)$ , for  $z \in \mathbb{R}$ . Then  $E_1^{inactive} = \{\gamma \in E : \gamma_1 = 0\}$  and  $E_2^{inactive} = E_3^{inactive} = \{\gamma \in E : \gamma_2 = 0\}$ . The reader is invited to note that  $f_\gamma$  is Lipschitz-continuous for active configurations. Also, we wish to note that, for this particular case, whenever  $J_2$  is inactive (i.e.  $\gamma \in E_2^{inactive}$ ),  $f_\gamma(x_1 e_2, a) = -f_\gamma(-x_1 e_2, a)$ , for all  $x_1 \in \mathbb{R}$ . The intersection acts as a mirror in the inactive case.

The cost  $l$  can be chosen increasing with the speed, very high as one reaches the intersection and null at the destination vertex. Moreover, it can be chosen decreasing with respect to the number of available/active roads.



$$\left( \text{e.g. } l_\gamma \left( \begin{pmatrix} x_1 \\ 0 \end{pmatrix}, a \right) = l_0 + \frac{1}{\gamma_1 + \gamma_2 + 1} (1 - |x_1|)^2 + |a| (|x_1| - |x_1|^2) \text{ and symmetrically for } \begin{pmatrix} 0 \\ x_2 \end{pmatrix} \right).$$

Here,  $l_0 > 0$  is some minimal cost.

The rate  $\lambda$  can be chosen in a similar way as a propensity function : we define  $\tilde{\lambda}_\gamma(x, a) = \lambda_0 l_\gamma(x, a)$  for some  $\lambda_0 > 0$ , then  $\lambda_\gamma(x, a) = \sum_{\gamma' \in E \setminus \{\gamma\}} \tilde{\lambda}_{\gamma'}(x, a)$ . The jump measure  $Q$  can be chosen proportional to the relative contribution to the propensity function

$$Q(x, \gamma, \gamma', a) = \begin{cases} \frac{\tilde{\lambda}_{\gamma'}(x, a)}{\lambda_\gamma(x, a)}, & \text{if } \gamma' \in E \setminus \{\gamma\} \\ 0, & \text{if } \gamma' = \gamma. \end{cases}$$

## 4 The dynamic programming principle and the regularity of the value function(s)

The aim of the traffic regulator will be to minimize the expectation of the (infinite horizon, discounted) operating cost  $l$  satisfying (for the time being and unless stated otherwise,) the assumption (A4)

$$\inf_{\alpha} \mathbb{E} \left[ \int_0^\infty e^{-\delta t} l_{\Gamma_t^{x, \gamma, \alpha}}(X_t^{x, \gamma, \alpha}, \alpha_t) dt \right].$$

The discount  $\delta > 0$  will be fixed throughout the paper. The set of control policies (keeping the vehicle on the network) as well as the meaning of  $\alpha_t$  will be given later on. The program of this first part relies on the paper [19] : we study the regularity properties in the deterministic setting via some projection argument, then define some iterated value functions. Next, we prove the uniform continuity of these iterates and the dynamic programming principles (DPP). This leads to a regular limit function satisfying a DPP. Throughout the paper, if  $\phi$  is a bounded real-valued function on some set  $\mathcal{X} \times F$ , where  $\mathcal{X} \subset \mathbb{R}^M$  and  $F$  is compact such that  $\phi(\cdot, \varsigma)$  is Lipschitz-continuous for all  $\varsigma \in F$ , we set

$$|\phi|_0 := \sup_{(y, \varsigma) \in \mathcal{X} \times F} |\phi(y, \varsigma)| \text{ and } Lip(\phi) := \sup_{\varsigma \in F} \sup_{\substack{y, y' \in \mathcal{X} \\ y \neq y'}} \frac{|\phi(y, \varsigma) - \phi(y', \varsigma)|}{|y - y'|}.$$

Whenever  $f$  is not Lipschitz continuous (recall that (A1) is weaker than Lipschitz-continuity), by abuse of notation, we let

$$Lip(f) := \sup_{(\gamma, a) \in E \times A} \sup_{\substack{y, y' \in \mathbb{R}^m \\ y \neq y'}} \frac{\langle f_\gamma(y, a) - f_\gamma(y', a), y - y' \rangle}{|y - y'|^2}.$$

Of course, whenever the function  $f$  is only defined and satisfies the regularity assumptions on  $\bar{\mathcal{G}}$ , the supremum can be taken over  $j = 1, N$  and  $y, y'$  which are colinear with  $e_j$  and  $a \in A^{\gamma, j}$ .

### 4.1 A projection argument

Whenever  $\varepsilon > 0$  is small enough, we let

$$t_\varepsilon := -\frac{1}{\delta} \ln \left( \frac{\varepsilon \delta}{2 |f|_0} \right), \rho_\varepsilon := \frac{\eta}{4} e^{-Lip(f) t_\varepsilon}.$$

We will make extensive use of the following result.

**Lemma 6** We assume **(Aa-Ac)** and **(A1-A4)** to hold true.

(i) There exists some  $C > 0$  such that, for every  $\varepsilon > 0$ , every  $\gamma \in E$ ,  $x, y \in J_1 \cup \{O, e_1\}$  satisfying  $|x - y| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$  and every  $\alpha \in \mathcal{A}_{\gamma,x}$ , there exists  $\mathcal{P}_{x,y}(\alpha) \in \mathcal{A}_{\gamma,y}$  such that

$$(2) \quad |y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| \leq C |x - y|^{\frac{1-\kappa}{2}},$$

and

$$(3) \quad \left| \int_0^t e^{-\delta s} l_\gamma(y_\gamma(s; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(s)) ds - \int_0^t e^{-\delta s} l_\gamma(y_\gamma(s; x, \alpha), \alpha(s)) ds \right| \leq C |x - y|^{\frac{1-\kappa}{2}},$$

for all  $t \leq t_\varepsilon$ .

(ii) Moreover, if  $\alpha \in \mathcal{A}_{ad}$ , then, for every  $\varepsilon > 0$  and every  $(\gamma, x) \in E \times (J_1 \cup \{O, e_1\})$ , there exists  $\mathcal{P}_{(x,\gamma)}(\alpha) \in \mathcal{A}_{ad}$  such that the previous inequalities are satisfied with  $\mathcal{P}_{(x,\gamma)}(\alpha)(y, \gamma, \cdot)$  replacing  $\mathcal{P}_{x,y}(\alpha)(\cdot)$ , for all  $y \in J_1 \cup \{O, e_1\}$  satisfying  $|x - y| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$ .

**Proof.** (a) (i) Let us assume that  $x = O$ . If  $y = O$ , then  $\mathcal{P}_{x,y}(\alpha) = \alpha$ . Otherwise, we let  $t_{y,O} := \inf \left\{ t \geq 0 : y_\gamma(t; y, a_{\gamma,1}^-) = O \right\}$ . Obviously,

$$t_{y,O} \leq \frac{|x - y|^{1-\kappa}}{(1-\kappa)\beta} \leq \frac{\rho_\varepsilon^2}{(1-\kappa)\beta}.$$

(These estimates are for the "inactive" case; for the "active" one, one can consider  $\kappa = 0$ ). For  $\varepsilon$  small enough, one can assume, without loss of generality that  $\frac{\rho_\varepsilon}{(1-\kappa)\beta} < t_\varepsilon$ . We define

$$\mathcal{P}_{x,y}(\alpha)(t) := a_{\gamma,1}^- \mathbf{1}_{[0, t_{y,O}]}(t) + \alpha(t - t_{y,O}) \mathbf{1}_{(t_{y,O}, \infty)}(t),$$

for all  $t \geq 0$ . Then, one gets

$$\begin{aligned} |y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| &\leq |y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y| + |y - x| + |x - y(t; x, \alpha)| \\ &\leq \left( \frac{2|f|_0}{(1-\kappa)\beta} + 1 \right) |x - y|^{1-\kappa} \leq \left( \frac{2|f|_0}{(1-\kappa)\beta} + 1 \right) \rho_\varepsilon^2, \end{aligned}$$

if  $t \in [0, t_{y,O}]$  and

$$\begin{aligned} |y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| &= |y_\gamma(t; x, \alpha) - y_\gamma(t - t_{y,O}; x, \alpha)| \\ &\leq \frac{|f|_0}{(1-\kappa)\beta} |x - y|^{1-\kappa} \leq \frac{|f|_0}{(1-\kappa)\beta} \rho_\varepsilon^2, \end{aligned}$$

if  $t > t_{y,O}$ . Moreover, for every  $T \geq 0$ ,

$$\begin{aligned} &\left| \int_0^T e^{-\delta t} l_\gamma(y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - \int_0^T e^{-\delta t} l_\gamma(y_\gamma(t; x, \alpha), \alpha(t)) dt \right| \\ &\leq \int_0^{t_{y,O}} e^{-\delta t} |l_\gamma(y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t))| dt + \int_0^{t_{y,O}} e^{-\delta t} |l_\gamma(y_\gamma(t; x, \alpha), \alpha(t))| dt \\ &\quad + \mathbf{1}_{T > t_{y,O}} \left( 1 - e^{-\delta t_{y,O}} \right) \int_0^{T-t_{y,O}} e^{-\delta t} |l_\gamma(y_\gamma(t; x, \alpha), \alpha(t))| dt \\ &\quad + \mathbf{1}_{T > t_{y,O}} \int_{T-t_{y,O}}^T e^{-\delta t} |l_\gamma(y_\gamma(t; x, \alpha), \alpha(t))| dt \\ &\leq 2|l|_0 \frac{|x - y|^{1-\kappa}}{(1-\kappa)\beta} + \frac{1}{\delta} |l|_0 \left( 1 - e^{-\delta \frac{|x - y|^{1-\kappa}}{(1-\kappa)\beta}} \right) + |l|_0 \frac{|x - y|^{1-\kappa}}{(1-\kappa)\beta} \\ &\leq 4|l|_0 \frac{|x - y|^{1-\kappa}}{(1-\kappa)\beta} \leq \frac{4|l|_0}{(1-\kappa)\beta} \rho_\varepsilon^2. \end{aligned}$$

(ii) If  $\alpha \in \mathcal{A}_{ad}$ , then we set

$$\mathcal{P}_{(x,\gamma)}(\alpha)(y, \eta, t) = \begin{cases} \mathcal{P}_{x,y}(\alpha(x, \gamma, t)) & \text{if } \eta = \gamma, |x - y| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}, \\ \alpha(y, \eta, t), & \text{otherwise.} \end{cases}$$

One only needs to notice that  $y \mapsto t_{y,O}$  is Borel measurable to deduce that  $\mathcal{P}_{x,\gamma}(\alpha) \in \mathcal{A}_{ad}$ . In the other cases, the construction is similar. We will just hint the measurability properties needed to insure that the constructed function  $\mathcal{P}_{(x,\gamma)}(\alpha)$  is Borel measurable in  $(t, y)$ .

(b) If  $y = O$ , we distinguish two cases :

(b1) The road is "inactive". Then, we introduce  $t_{x,O}(\alpha) := \inf \{t > 0 : y_\gamma(t; x, \alpha) = O\}$  and define, if it is finite

$$\mathcal{P}_{x,y}(\alpha)(t) := a_{\gamma,1}^0 \mathbf{1}_{[0, t_{x,O}(\alpha)]}(t) + \alpha(t) \mathbf{1}_{(t_{x,O}(\alpha), \infty)}(t),$$

where  $a_{\gamma,1}^0$  is given by **(Ab)**. Then, due to **(Ab)**, it is clear that

$$|y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| \leq |x - y| \leq \rho_\varepsilon^2,$$

if  $t \leq t_{x,O}(\alpha)$  and

$$|y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| = 0,$$

otherwise. We note that  $y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) = O$ , for  $t \leq t_{x,O}(\alpha)$ . Thus, the assumption **(Ac)** yields

$$\begin{aligned} & \left| \int_0^T e^{-\delta t} l(y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - \int_0^T e^{-\delta t} l(y_\gamma(t; x, \alpha), \alpha(t)) dt \right| \\ & \leq \int_0^T e^{-\delta t} \text{Lip}(l) |x - y| dt \leq \frac{\text{Lip}(l)}{\delta} |x - y| \leq \frac{\text{Lip}(l)}{\delta} \rho_\varepsilon^2. \end{aligned}$$

(b2) The road is "active". Then, we introduce  $t_{y,x} := \inf \{t > 0 : y_\gamma(t; y, a_{\gamma,1}^+) = x\}$ . Similar to (a), one easily proves that  $t_{y,x} \leq \frac{\rho_\varepsilon^2}{\beta}$ . In this case, we define

$$\mathcal{P}_{x,y}(\alpha)(t) := a_{\gamma,1}^+ \mathbf{1}_{[0, t_{y,x}]}(t) + \alpha(t - t_{y,x}) \mathbf{1}_{(t_{y,x}, \infty)}(t),$$

and get the same kind of estimates as in (a).

(ii) This allows one to define  $\mathcal{P}_{x,\gamma}(\alpha)(O, \eta, t) := \mathcal{P}_{x,O}(\alpha(x, \gamma, t))$ , if  $\alpha \in \mathcal{A}_{ad}$ ,  $\eta = \gamma$  and  $|x| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$  and  $\mathcal{P}_{x,\gamma}(\alpha)(O, \eta, t) = \alpha(O, \eta, t)$  otherwise.

(c) We assume that  $x \in J_1 \cup \{e_1\}$  and  $y \in J_1$ . Then,  $\alpha \in \mathcal{A}_{\gamma,x}$  is admissible for  $y$  (at least for some small time). We define  $t_y^*(\alpha) = \inf \{t > 0 : y_\gamma(t; y, \alpha) \in \partial J_1\} \wedge \inf \{t > 0 : y_\gamma(t; x, \alpha) = 0\} \wedge t_\varepsilon$ . One notices, as before, that  $y \mapsto t_y^*(\alpha)$  is Borel measurable.

(c1) If  $t_y^*(\alpha) \geq t_\varepsilon$ , then we let  $\mathcal{P}_{x,y}(\alpha)(t) := \alpha(t) \mathbf{1}_{[0, t_\varepsilon)}(t) + \alpha_0(y_\gamma(t_\varepsilon; y, \alpha), \gamma, t) \mathbf{1}_{[t_\varepsilon, \infty)}(t)$ , where  $\alpha_0 \in \mathcal{A}_{ad}$  and have

$$|y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| \leq e^{\text{Lip}(f)t} |x - y| \leq \sqrt{|x - y|} \leq \rho_\varepsilon^{\frac{1}{1-\kappa}},$$

for all  $t \leq t_\varepsilon$ . Also, one easily gets, for every  $T \leq t_\varepsilon$ ,

$$\begin{aligned} & \left| \int_0^T e^{-\delta t} l(y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - \int_0^T e^{-\delta t} l(y_\gamma(t; x, \alpha), \alpha(t)) dt \right| \\ & \leq \frac{\text{Lip}(l)}{\delta} \sqrt{|x - y|} \leq \frac{\text{Lip}(l)}{\delta} \rho_\varepsilon^{\frac{1}{1-\kappa}}. \end{aligned}$$

Since  $\alpha_0 \in \mathcal{A}_{ad}$ , it follows that  $(t, y) \mapsto \mathcal{P}_{x,y}(\alpha)(t) \mathbf{1}_{t_y^*(\alpha) \geq t_\varepsilon}$  is Borel-measurable.

(c2) If  $t_y^*(\alpha) < t_\varepsilon$  and  $y_\gamma(t_y^*(\alpha); y, \alpha) = e_1$ , then, in particular,  $|y_\gamma(t_y^*(\alpha); x, \alpha) - e_1| < \sqrt{|x - y|} \leq \rho_\varepsilon^{\frac{1}{1-\kappa}}$ . Of course, this case is only interesting if  $\alpha$  is no longer admissible. In particular, when  $A_{\gamma, e_1} \neq A^{\gamma, 1}$ . Then, we introduce  $t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)} := \inf \{t \geq 0 : y_\gamma(t; e_1, a_{\gamma, 1}) = y_\gamma(t_y^*(\alpha); x, \alpha)\}$ .

One has  $t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)} \leq \frac{\sqrt{|x - y|}}{\beta}$ . We define

$$\begin{aligned} \mathcal{P}_{x, y}(\alpha)(t) &:= \alpha(t) \mathbf{1}_{[0, t_y^*(\alpha)]}(t) + a_{\gamma, 1} \mathbf{1}_{[t_y^*(\alpha), t_y^*(\alpha) + t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}]}(t) \\ &\quad + \alpha(t - t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}) \mathbf{1}_{(t_y^*(\alpha) + t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}, \infty)}(t). \end{aligned}$$

The functions  $y \mapsto t_y^*(\alpha)$ ,  $y \mapsto y_\gamma(t_y^*(\alpha); y, \alpha)$  are Borel measurable. Hence, so is  $y \mapsto t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}$ . It follows that

$$(t, y) \mapsto \mathcal{P}_{x, y}(\alpha)(t) \mathbf{1}_{t_y^*(\alpha) < t_\varepsilon, y_\gamma(t_y^*(\alpha); y, \alpha) = e_1}$$

is also Borel-measurable. One has

$$|y_\gamma(t; y, \mathcal{P}_{x, y}(\alpha)) - y_\gamma(t; x, \alpha)| \leq \sqrt{|x - y|},$$

if  $t \leq t_y^*(\alpha)$ ,

$$\begin{aligned} |y_\gamma(t; y, \mathcal{P}_{x, y}(\alpha)) - y_\gamma(t; x, \alpha)| &\leq |y_\gamma(t - t_y^*(\alpha); e_1, a_{\gamma, 1}) - e_1| + |e_1 - y_\gamma(t_y^*(\alpha); x, \alpha)| \\ &\quad + |y_\gamma(t_y^*(\alpha); x, \alpha) - y_\gamma(t; x, \alpha)| \\ &\leq \left( \frac{2|f|_0}{\beta} + 1 \right) \sqrt{|x - y|}, \end{aligned}$$

if  $t \in [t_y^*(\alpha), t_y^*(\alpha) + t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}]$ . Finally, if  $t > t_y^*(\alpha) + t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}$ , then

$$\begin{aligned} &|y_\gamma(t; y, \mathcal{P}_{x, y}(\alpha)) - y_\gamma(t; x, \alpha)| \\ &= \left| y_\gamma \left( t - t_y^*(\alpha) + t_{e_1, y_\gamma(t_y^*(\alpha); x, \alpha)}; y_\gamma(t_y^*(\alpha); x, \alpha), \alpha(t_y^*(\alpha) + \cdot) \right) \right. \\ &\quad \left. - y_\gamma(t - t_y^*(\alpha); y_\gamma(t_y^*(\alpha); x, \alpha), \alpha(t_y^*(\alpha) + \cdot)) \right| \\ &\leq |f|_0 \frac{\sqrt{|x - y|}}{\beta}. \end{aligned}$$

Moreover, if  $T \leq t_\varepsilon$ , one gets (similar to (a)),

$$\begin{aligned} &\left| \int_0^T e^{-\delta t} l(y_\gamma(t; y, \mathcal{P}_{x, y}(\alpha)), \mathcal{P}_{x, y}(\alpha)(t)) dt - \int_0^T e^{-\delta t} l(y_\gamma(t; x, \alpha), \alpha(t)) dt \right| \\ &\leq \int_0^{t_y^*(\alpha)} e^{-\delta t} Lip(l) \sqrt{|x - y|} dt + \frac{4|l|_0}{\beta} \sqrt{|x - y|}. \end{aligned}$$

(c3) The case  $t_y^*(\alpha) < t_\varepsilon$  and  $y_\gamma(t_y^*(\alpha); y, \alpha) = O$ : In particular, one gets  $|y_\gamma(t_y^*(\alpha); x, \alpha)| \leq \sqrt{|x - y|} \leq \rho_\varepsilon^{\frac{1}{1-\kappa}}$ .

(c3.1) In the "active case", we consider  $t_{O, y_\gamma(t_y^*(\alpha); x, \alpha)} = \inf \{t > 0 : y_\gamma(t; O, a_{\gamma, 1}^+) = y_\gamma(t_y^*(\alpha); x, \alpha)\}$  and define

$$\begin{aligned} \mathcal{P}_{x, y}(\alpha)(t) &:= \alpha(t) \mathbf{1}_{[0, t_y^*(\alpha)]}(t) + a_{\gamma, 1}^+ \mathbf{1}_{[t_y^*(\alpha), t_y^*(\alpha) + t_{O, y_\gamma(t_y^*(\alpha); x, \alpha)}]}(t) \\ &\quad + \alpha(t - t_{O, y_\gamma(t_y^*(\alpha); x, \alpha)}) \mathbf{1}_{(t_y^*(\alpha) + t_{O, y_\gamma(t_y^*(\alpha); x, \alpha)}, \infty)}(t). \end{aligned}$$

One gets the same estimates (and measurability properties) as in (c2).

(c3.2) The "inactive case" is similar to (b1). We consider

$$\begin{aligned} \mathcal{P}_{x,y}(\alpha)(t) &:= \alpha(t) \mathbf{1}_{[0, t_y^*(\alpha)]}(t) + a_{\gamma,1}^0 \mathbf{1}_{[t_y^*(\alpha), t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}]}(t) \\ &\quad + \alpha\left(t - t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}\right) \mathbf{1}_{(t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}, \infty)}(t), \end{aligned}$$

for all  $t \geq 0$ . The functions  $y \mapsto t_y^*(\alpha)$ ,  $y \mapsto y_\gamma(t_y^*(\alpha); x, \alpha)$  are Borel measurable. Hence, so is  $y \mapsto t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}(a_1^0)$ . It follows that

$$(t, y) \mapsto \mathcal{P}_{x,y}(\alpha)(t) \mathbf{1}_{t_y^*(\alpha) < t_\varepsilon, y_\gamma(t_y^*(\alpha); y, \alpha) = O}$$

is also Borel-measurable.

One easily notices that

$$|y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) - y_\gamma(t; x, \alpha)| \leq \sqrt{|x - y|} \leq \rho_\varepsilon, \text{ if } 0 \leq t \leq t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O},$$

and  $y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)) = y_\gamma(t; x, \alpha)$  if  $t > t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}$ . Using the assumption **(Ac)** on  $[t_y^*(\alpha), t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O}]$ , one gets

$$\begin{aligned} &\left| \int_0^T e^{-\delta t} l(y_\gamma(t; y, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - \int_0^T e^{-\delta t} l(y_\gamma(t; x, \alpha), \alpha(t)) dt \right| \\ &\leq \int_0^{t_y^*(\alpha)} e^{-\delta t} \text{Lip}(l) \sqrt{|x - y|} dt + \int_{t_y^*(\alpha)}^{t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); x, \alpha), O} \wedge T} e^{-\delta t} \text{Lip}(l) \sqrt{|x - y|} dt \\ &\leq \frac{1}{\delta} \text{Lip}(l) \sqrt{|x - y|}. \end{aligned}$$

(c4) If  $t_y^*(\alpha) < t_\varepsilon$  and  $y_\gamma(t_y^*(\alpha); x, \alpha) = O$ , then we proceed as in (a). We let

$$t_{y_\gamma(t_y^*(\alpha); y, \alpha), O} := \inf \left\{ t \geq 0 : y_\gamma(t; y_\gamma(t_y^*(\alpha); y, \alpha), a_{\gamma,1}^-) = O \right\}.$$

Obviously,  $t_{y_\gamma(t_y^*(\alpha); y, \alpha), O} \leq \frac{\sqrt{|x - y|}^{1-\kappa}}{(1-\kappa)\beta}$ . We set

$$\begin{aligned} \mathcal{P}_{x,y}(\alpha)(t) &:= \alpha(t) \mathbf{1}_{[0, t_y^*(\alpha)]}(t) + a_{\gamma,1}^- \mathbf{1}_{[t_y^*(\alpha), t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); y, \alpha), O}]}(t) \\ &\quad + \alpha\left(t - t_{y_\gamma(t_y^*(\alpha); y, \alpha), O}\right) \mathbf{1}_{(t_y^*(\alpha) + t_{y_\gamma(t_y^*(\alpha); y, \alpha), O}, \infty)}(t), \end{aligned}$$

for all  $t \geq 0$  and the estimates follow. The measurability properties follow as before.

(d) Finally, we assume that  $y = e_1$ . Again, we only modify  $\alpha$  if  $A_{\gamma, e_1} \neq A^{\gamma, 1}$ . In this eventuality, we define  $t_{e_1, x} := \inf \{t \geq 0 : y_\gamma(t; y, a_{\gamma,1}) = x\}$ , where  $a_{\gamma,1}$  appears in **(Aa)**. Then  $t_{e_1, x} \leq \frac{|x - y|}{\beta}$ . We let

$$\mathcal{P}_{x, e_1}(\alpha)(t) := a_{\gamma,1} \mathbf{1}_{[0, t_{e_1, x}]}(t) + \alpha(t - t_{e_1, x}) \mathbf{1}_{(t_{e_1, x}, \infty)}(t).$$

and get the conclusion.

The proof of our lemma is now complete. ■

**Remark 7** (i) The reader is invited to note that the constant  $C$  in the previous lemma only depends on  $\text{Lip}(l)$ ,  $|l|_0$ ,  $\text{Lip}(f)$ ,  $|f|_0$  and  $\beta$  but not of the actual coefficients  $f$  nor of the actual cost function  $l$ .

(ii) The assumption **(Ac)** is only needed if  $\{a \in A^{\gamma, 1} : f(O, a) \in \mathbb{R}_+ e_1\} \neq A^{\gamma, 1}$ . Otherwise, both (b1) and the analogous (c3.2) need not be treated as special cases. Indeed, if  $\{a \in A^{\gamma, 1} : f(O, a) \in \mathbb{R}_+ e_1\} = A^{\gamma, 1}$ , then  $\alpha$  is still locally admissible and we continue using it.

At this point, we introduce the value function for the deterministic case ( $\lambda = 0$ , or, equivalently the road functionality  $\gamma$  is immutable) by setting

$$v_0^\delta(x, \gamma) = \inf_{\alpha \in \mathcal{A}_{\gamma, x}} \int_0^\infty e^{-\delta t} l_\gamma(y_\gamma(t; x, \alpha), \alpha(t)) dt,$$

for all  $x \in \overline{\mathcal{G}}$  and all  $\gamma \in E$ .

As a consequence of our projection lemma, we get the following continuity result :

**Theorem 8** *The deterministic value functions  $v_0^\delta(\cdot, \gamma)$  are bounded and uniformly continuous on  $\overline{\mathcal{G}}$ .*

**Proof.** Since the domain  $\overline{\mathcal{G}}$  is compact, it suffices to prove that  $v_0^\delta(\cdot, \gamma)$  is continuous. Let us fix  $x \in \overline{\mathcal{G}} \setminus \{O\}$  and consider  $\varepsilon > 0$ . Without loss of generality, we assume that  $x \in J_1 \cup \{e_1\}$ . Then, there exists some  $\alpha \in \mathcal{A}_{\gamma, x}$  such that

$$v_0^\delta(x, \gamma) + \varepsilon \geq \int_0^{t_\varepsilon} e^{-\delta t} l_\gamma(y_\gamma(t; x, \alpha), \alpha(t)) dt - \frac{1}{\delta} e^{-\delta t_\varepsilon} |l|_0.$$

Hence, for every  $y \in J_1 \cup \{e_1, O\}$  such that  $|x - y| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$ , using the previous lemma, there exists  $\mathcal{P}_{x,y}(\alpha) \in \mathcal{A}_{\gamma, y}$  such that

$$\begin{aligned} v_0^\delta(x, \gamma) + \varepsilon &\geq \int_0^{t_\varepsilon} e^{-\delta t} l_\gamma(y(t; x, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - C\rho_\varepsilon - \frac{1}{\delta} e^{-\delta t_\varepsilon} |l|_0 \\ &\geq \int_0^\infty e^{-\delta t} l_\gamma(y(t; x, \mathcal{P}_{x,y}(\alpha)), \mathcal{P}_{x,y}(\alpha)(t)) dt - C\rho_\varepsilon - \frac{2}{\delta} e^{-\delta t_\varepsilon} |l|_0 \\ &\geq v_0^\delta(y, \gamma) - C\rho_\varepsilon - \frac{|l|_0}{|f|_0} \varepsilon. \end{aligned}$$

The continuity property follows by recalling that  $\varepsilon > 0$  is arbitrary and  $\lim_{\varepsilon \rightarrow 0} \rho_\varepsilon = 0$ . In the case when  $x = O$ , the same arguments yield

$$\lim_{\substack{y \rightarrow O \\ y \in J_j}} v_0^\delta(y, \gamma) = v_0^\delta(O, \gamma),$$

for every  $j = 1, N$ . The proof of our theorem is now complete. ■

**Remark 9** *The reader is invited to note that the continuity modulus of  $v_0^\delta$  depends only on  $\text{Lip}(l)$ ,  $|l|_0$ ,  $\text{Lip}(f)$ ,  $|f|_0$  and  $\beta$  but not of the actual coefficients  $f$  nor of the actual cost function  $l$ .*

## 4.2 Iterated value function

Following the ideas of [19], we introduce the iterated value functions  $v_m^\delta$  defined by

$$v_m^\delta(x, \gamma) := \inf_{\alpha \in \mathcal{A}_{ad}} J_m(x, \gamma, \alpha),$$

where

$$J_m(x, \gamma, \alpha) := \mathbb{E} \left[ \int_0^{\tau_1} e^{-\delta t} l_\gamma(X_t^{x, \gamma, \alpha}, \alpha(x, \gamma, t)) dt + e^{-\delta \tau_1} v_{m-1}^\delta(Y_1, \Upsilon_1) \right].$$

We recall that  $(Y_1, \Upsilon_1)$  are the post-jump locations at the first jump time  $\tau_1$  depending on  $x, \gamma, \alpha$ , (cf. Section 2). Hence, we have  $(Y_1, \Upsilon_1) = (X_{\tau_1}^{x, \gamma, \alpha}, \Gamma_{\tau_1}^{x, \gamma, \alpha})$  and  $\tau_1 = \tau_1^{x, \gamma, \alpha}$ . The process is constructed as

in section 2 using  $\alpha_i = \alpha \in \mathcal{A}_{ad}$ , for all  $i \geq 1$ . The reader is invited to note that a simple recurrence argument yields

$$(4) \quad \left| v_m^\delta(x, \gamma) \right| \leq \frac{\|l\|_0}{\delta}, \text{ for all } (x, \gamma) \in \bar{\mathcal{G}} \times E.$$

Throughout the section, unless stated otherwise, we assume **(Aa-Ac)** and **(A1-A4)** to hold true. In order to simplify our presentation, we assume that  $\lambda$  and  $Q$  are independent of the control parameter  $a$ . The general case follows from similar arguments as those of Lemma 6 (the estimates on  $l$ ) if one assumes

**(Ac')** Whenever  $\gamma \in E_j^{inactive}$ ,  $Q(O, \gamma, \gamma', a) = Q(O, \gamma, \gamma')$  and  $\lambda(O, \gamma, a) = \lambda(O, \gamma)$ .

Again, **(Ac')** is only needed for those  $j$  such that  $\gamma \in E_j^{inactive}$  and  $\{a \in A^{\gamma, j} : f(O, a) \in \mathbb{R}_+ e_j\} \neq \emptyset$ .

The same arguments as those employed in Lemma 3.1 of [19] yield

**Lemma 10** *Let us assume that  $v_{m-1}^\delta(\cdot, \gamma)$  is continuous on  $\bar{\mathcal{G}}$ . Then, for every  $T > 0$ , one has*

$$v_m^\delta(x, \gamma) = \inf_{\alpha \in \mathcal{A}_{ad}} \mathbb{E} \left[ +e^{-\delta\tau_1} v_{m-1}^\delta(Y_1, \Upsilon_1) \mathbf{1}_{\tau_1 \leq T} + e^{-\delta T} v_m^\delta(y_\gamma(T; x, \alpha), \gamma) \mathbf{1}_{\tau_1 > T} \right],$$

for all  $(\gamma, x) \in E \times \bar{\mathcal{G}}$ .

The proof is identical (no changes needed) to the one of Lemma 3.1 of [19] and will be omitted from our (already long enough) presentation.

**Theorem 11** *The functions  $v_m^\delta(\cdot, \gamma)$  are uniformly continuous on  $\bar{\mathcal{G}}$ , for all  $m \geq 0$  and uniformly with respect to  $\gamma \in E$ .*

**Proof.** We prove our theorem by recurrence over  $m$ . For  $m = 0$ , we invoke theorem 8. Let us assume that  $v_{m-1}^\delta(\cdot, \gamma')$  is continuous for all  $\gamma' \in E$ . We let  $\omega_{m-1}$  be the continuity modulus

$$\omega_{m-1}(r) := \sup \left\{ \left| v_{m-1}^\delta(x, \gamma') - v_{m-1}^\delta(y, \gamma') \right| : |x - y| \leq r, \gamma' \in E \right\}.$$

We also introduce

$$\omega_m(\gamma, r) := \sup \left\{ \left| v_m^\delta(x, \gamma) - v_m^\delta(y, \gamma) \right| : |x - y| \leq r \right\},$$

for all  $r > 0$ . Obviously,  $\omega_m(r) = \sup_{\gamma \in E} \omega_m(\gamma, r)$ . It is straightforward that  $\omega_m(r) \leq 2 \frac{\|l\|_0}{\delta}$ . Let us

fix, for the time being,  $(\gamma, x, y) \in E \times \bar{\mathcal{G}}^2$ ,  $\varepsilon > 0$  and assume that  $|x - y| \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$ . Then, due to the previous lemma, there exists some admissible control process  $\alpha \in \mathcal{A}_{ad}$  such that

$$v_m^\delta(x, \gamma) \geq -\varepsilon + \mathbb{E} \left[ +e^{-\delta\tau_1} v_{m-1}^\delta(Y_1, \Upsilon_1) \mathbf{1}_{\tau_1 \leq t_\varepsilon} + e^{-\delta t_\varepsilon} v_m^\delta(y_\gamma(t_\varepsilon; x, \alpha), \gamma) \mathbf{1}_{\tau_1 > t_\varepsilon} \right]$$

We denote by  $\tilde{\alpha}$  the admissible control process  $\mathcal{P}_{(x, \gamma)}(\alpha) \in \mathcal{A}_{ad}$  given by the assertion (ii) in Lemma 6. We introduce the following notations :

$$\begin{aligned} y(t) &:= y_\gamma(t; x, \alpha), \quad \alpha(t) := \alpha(x, \gamma, t), \quad \lambda(t) := \lambda(y(t), \gamma), \quad \Lambda(t) = \exp \left( - \int_0^t \lambda(s) ds \right), \\ \tilde{y}(t) &:= y_\gamma(t; y, \tilde{\alpha}), \quad \tilde{\alpha}(t) := \tilde{\alpha}(y, \gamma, t), \quad \tilde{\lambda}(t) := \lambda(\tilde{y}(t), \gamma), \quad \tilde{\Lambda}(t) = \exp \left( - \int_0^t \tilde{\lambda}(s) ds \right). \end{aligned}$$

Then

$$v_m^\delta(y, \gamma) \leq \mathbb{E} \left[ \int_0^{\tilde{\tau}_1 \wedge t_\varepsilon} e^{-\delta t} l_\gamma(\tilde{y}(t), \tilde{\alpha}(t)) dt \right] + \mathbb{E} \left[ e^{-\delta \tilde{\tau}_1} v_{m-1}^\delta(\tilde{Y}_1, \tilde{\Upsilon}_1) \mathbf{1}_{\tau_1 \leq t_\varepsilon} + e^{-\delta t_\varepsilon} v_m^\delta(\tilde{y}(t_\varepsilon), \gamma) \mathbf{1}_{\tilde{\tau}_1 > t_\varepsilon} \right]$$

The right-hand member can be written as

$$(5) \quad \begin{aligned} I_m(y, \gamma, \tilde{\alpha}) &= \int_0^{t_\varepsilon} \tilde{\lambda}(t) \tilde{\Lambda}(t) \int_0^t e^{-\delta s} l_\gamma(\tilde{y}(s), \tilde{\alpha}(s)) ds dt \\ &\quad + \int_0^{t_\varepsilon} \tilde{\lambda}(t) \tilde{\Lambda}(t) e^{-\delta t} \sum_{\gamma' \in E \setminus \{\gamma\}} v_{m-1}^\delta(\tilde{y}(t), \gamma') Q(\tilde{y}(t), \gamma, \gamma') dt \\ &\quad + \tilde{\Lambda}(t_\varepsilon) \int_0^{t_\varepsilon} e^{-\delta t} l_\gamma(\tilde{y}(t), \tilde{\alpha}(t)) dt + \tilde{\Lambda}(t_\varepsilon) e^{-\delta t_\varepsilon} v_m^\delta(\tilde{y}(t_\varepsilon), \gamma). \end{aligned}$$

Then, using the estimates (2) in Lemma 6 and recalling that **(A2)** holds true, one has

$$(6) \quad \begin{aligned} I_m(y, \gamma, \tilde{\alpha}) &\leq C |x - y|^{\frac{1-\kappa}{2}} + \int_0^{t_\varepsilon} \lambda(t) \Lambda(t) \int_0^t e^{-\delta s} l_\gamma(\tilde{y}(s), \tilde{\alpha}(s)) ds dt \\ &\quad + \int_0^{t_\varepsilon} \lambda(t) \Lambda(t) e^{-\delta t} \sum_{\gamma' \in E \setminus \{\gamma\}} v_{m-1}^\delta(\tilde{y}(t), \gamma') Q(\tilde{y}(t), \gamma, \gamma') dt \\ &\quad + \Lambda(t_\varepsilon) \int_0^{t_\varepsilon} e^{-\delta t} l_\gamma(\tilde{y}(t), \tilde{\alpha}(t)) dt + \Lambda(t_\varepsilon) e^{-\delta t_\varepsilon} v_m^\delta(\tilde{y}(t_\varepsilon), \gamma), \end{aligned}$$

for some generic constant  $C > 0$  independent of  $\varepsilon, \gamma, y, x, \alpha$  which may change from one line to another. This constant only depends on the supremum norm and the Lipschitz constants of  $\lambda, Q, f$  and  $l$ . Again by (2), and using the assumption (A3), we get

$$(7) \quad \begin{aligned} &\sum_{\gamma' \in E \setminus \{\gamma\}} v_{m-1}^\delta(\tilde{y}(t), \gamma') Q(\tilde{y}(t), \gamma, \gamma') - \sum_{\gamma' \in E \setminus \{\gamma\}} v_{m-1}^\delta(y(t), \gamma') Q(y(t), \gamma, \gamma') \\ &\leq \omega_{m-1} \left( C |x - y|^{\frac{1-\kappa}{2}} \right) + \sum_{\gamma' \in E \setminus \{\gamma\}} \left| v_{m-1}^\delta(y(t), \gamma') \right| |Q(\tilde{y}(t), \gamma, \gamma') - Q(y(t), \gamma, \gamma')| \\ &\leq \omega_{m-1} \left( C |x - y|^{\frac{1-\kappa}{2}} \right) + C |x - y|^{\frac{1-\kappa}{2}}, \end{aligned}$$

for all  $t \leq t_\varepsilon$ . Moreover

$$e^{-\delta t_\varepsilon} v_m^\delta(\tilde{y}(t_\varepsilon), \gamma') \leq e^{-\delta t_\varepsilon} v_m^\delta(y(t_\varepsilon), \gamma') + e^{-\delta t_\varepsilon} \omega_m \left( C |x - y|^{\frac{1-\kappa}{2}} \right).$$

Returning to (6) and using (7) and the previous relation, we get

$$v_m^\delta(y, \gamma) \leq v_m^\delta(x, \gamma) + \varepsilon + C |x - y|^{\frac{1-\kappa}{2}} + \omega_{m-1} \left( C |x - y|^{\frac{1-\kappa}{2}} \right) + e^{-\delta t_\varepsilon} \omega_m \left( C |x - y|^{\frac{1-\kappa}{2}} \right).$$

Hence, whenever  $|x - y| \leq r \leq \rho_\varepsilon^{\frac{2}{1-\kappa}}$ ,

$$\omega_m(r, \gamma) \leq \varepsilon + C r^{\frac{1-\kappa}{2}} + \omega_{m-1} \left( C r^{\frac{1-\kappa}{2}} \right) + e^{-\delta t_\varepsilon} \omega_m \left( C r^{\frac{1-\kappa}{2}} \right).$$

Taking supremum over  $\gamma \in E$ , we can replace  $\omega_m(r, \gamma)$  with  $\omega_m(r)$ . We can assume, without loss of generality, that  $C > 1$  and the conclusion follows (similar to Lemma 3.3 in [19]). Indeed, one considers  $r = C^{-\frac{2}{1+\kappa}} \left[ \left( \frac{1-\kappa}{2} \right)^{-n} - 1 \right]$  and iterates in the previous inequality to get

$$\begin{aligned} \omega_m \left( C^{-\frac{2}{1+\kappa}} \left[ \left( \frac{1-\kappa}{2} \right)^{-n} - 1 \right] \right) &= \varepsilon \frac{1}{1 - e^{-\delta t_\varepsilon}} + e^{-\delta t_\varepsilon (n-1)} \sum_{k=0}^{n-1} \omega_{m-1} \left( C^{-\frac{2}{1+\kappa}} \left[ \left( \frac{1-\kappa}{2} \right)^{-k} - 1 \right] \right) e^{\delta k t_\varepsilon} \\ &\quad + e^{-\delta t_\varepsilon (n-1)} \sum_{k=0}^{n-1} \left( C^{-\frac{2}{1+\kappa}} \left[ \left( \frac{1-\kappa}{2} \right)^{-k} - 1 \right] \right) e^{\delta k t_\varepsilon} + 2e^{-\delta t_\varepsilon n} \frac{|l|_0}{\delta} \end{aligned}$$



for  $n$  large enough and recall that  $\varepsilon > 0$  is arbitrary. Then, by the recurrence assumption and allowing  $n \rightarrow \infty$ , one gets

$$\omega_m(0) \leq \varepsilon \frac{1}{1 - e^{-\delta t_\varepsilon}} = \frac{\varepsilon}{1 - \frac{\varepsilon \delta}{2\|f\|_0}}.$$

To complete the proof, one only needs to recall that this inequality holds true for arbitrary  $\varepsilon > 0$ .  $\blacksquare$

**Remark 12** *In fact, all these continuity moduli depend only the supremum norm and the Lipschitz constants of  $\lambda, Q, f$  and  $l$  but the particular choice of the coefficients is irrelevant (see also remark 9).*

As a corollary, using the same proof as in the first part of Theorem 3.4 in [19], we get

**Corollary 13** *Under our assumptions (A1-A4, Aa-Ac, Ac'), the value function  $v^\delta(\gamma, \cdot)$  given by*

$$v^\delta(x, \gamma) := \inf_{\alpha \in \mathcal{A}_{ad}^{\mathbb{N}}} \mathbb{E} \left[ \sum_{n \geq 0} \int_{\tau_n}^{\tau_{n+1}} e^{-\delta t} l_{\Gamma_n^{\gamma, x, \alpha}} \left( y_{\Gamma_n^{\gamma, x, \alpha}}(t; X_{\tau_n}^{\gamma, x, \alpha}, \alpha_{n+1}), \alpha_{n+1} (X_{\tau_n}^{\gamma, x, \alpha}, \Gamma_n^{\gamma, x, \alpha}, t - \Gamma_n^{\gamma, x, \alpha}) \right) dt \right]$$

is bounded and uniformly continuous on  $\overline{\mathcal{G}}$ , for all  $\gamma \in E$ . Moreover, it satisfies the following Dynamic Programming Principle :

$$v^\delta(x, \gamma) = \inf_{\alpha \in \mathcal{A}_{ad}} \mathbb{E} \left[ \int_0^{T \wedge \tau_1} e^{-\delta t} l_\gamma(y_\gamma(t; x, \alpha), \alpha(x, \gamma, t)) dt + e^{-\delta(T \wedge \tau_1)} v^\delta(y_\gamma(T \wedge \tau_1; x, \alpha), \Gamma_{T \wedge \tau_1}^{\gamma, x, \alpha}) \right],$$

for all  $T > 0$  and all  $(\gamma, x) \in E \times \overline{\mathcal{G}}$ .

Again, once we have established the ingredients of uniform continuity in the previous theorem, the proof is identical with the first part of Theorem 3.4 in [19] and will be omitted from our (long enough) paper. One iterates Lemma 10 to get  $v_m^\delta$  and recalls that  $\lambda$  is bounded and, thus, the jumping times cannot accumulate.

## 5 Existence of the viscosity solution

At this point, we introduce the following Hamilton-Jacobi integrodifferential system

$$(8) \quad \delta v^\delta(x, \gamma) + \sup_{a \in A_{\gamma, x}} \left\{ -\langle f_\gamma(x, a), Dv^\delta(x, \gamma) \rangle - l_\gamma(x, a) - \lambda(x, \gamma, a) \sum_{\gamma' \in E} Q(x, \gamma, \gamma', a) (v^\delta(x, \gamma') - v^\delta(x, \gamma)) \right\} = 0.$$

### 5.1 Relaxing the dynamics

In addition to the standard assumptions (Aa-Ac), we will need the following.

**(Ad)** For every  $1 \leq j \leq N$ , every  $\gamma \in E$  and every  $x \in J_j$ , there exists  $\theta > 0$  such that, whenever  $\alpha \in \mathcal{A}_{ad}$ , one has  $\alpha(x, \gamma, t) \in A^{\gamma, j}$  for almost all  $t \in [0, \theta]$ .

For every  $x \in \overline{\mathcal{G}}$ , we let  $\mathcal{T}_x(\overline{\mathcal{G}})$  denote the set of tangent directions to  $\overline{\mathcal{G}}$  at  $x$  :  $\mathcal{T}_x(\overline{\mathcal{G}}) = \mathbb{R}e_j$  if  $x \in J_j$ ,  $\mathcal{T}_{e_j}(\overline{\mathcal{G}}) = \mathbb{R}_-e_j$  and  $\mathcal{T}_O(\overline{\mathcal{G}}) = \bigcup_{1 \leq j \leq N} \mathbb{R}_+e_j$ . The set  $\mathcal{M}_+(E)$  denotes the family of (positive)

measures  $\zeta = (\zeta(\gamma))_{\gamma \in E} \in \mathbb{R}_+^E$ . The following standard notations will be employed throughout the section.

$$\begin{aligned} \overline{FL}(x, \gamma) &:= \left\{ \begin{array}{l} (\xi, \zeta, \eta) \in \mathcal{T}_x(\overline{\mathcal{G}}) \times \mathcal{M}_+(E) \times \mathbb{R} : \exists (\alpha_n)_n \subset \mathcal{A}_{ad}, (t_n)_n \subset \mathbb{R}_+, \text{ s.t.} \\ \lim_{n \rightarrow \infty} t_n = 0, \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} f_\gamma(x, \alpha_n(x, \gamma, s)) ds = \xi, \\ \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} \lambda(x, \gamma, \alpha_n(x, \gamma, s)) Q(x, \gamma, \alpha_n(x, \gamma, s)) ds = \zeta, \\ \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} l_\gamma(x, \alpha_n(x, \gamma, s)) ds = \eta \end{array} \right\}, \\ \overline{F}(x, \gamma) &:= \left\{ \begin{array}{l} (\xi, \zeta) \in \mathcal{T}_x(\mathcal{G}) \times \mathcal{M}_+(E) : \exists (\alpha_n)_n \subset \mathcal{A}_{ad}, (t_n)_n \subset \mathbb{R}_+, \text{ s.t.} \\ \lim_{n \rightarrow \infty} t_n = 0, \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} f_\gamma(x, \alpha_n(x, \gamma, s)) ds = \xi, \\ \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} \lambda(x, \gamma, \alpha_n(x, \gamma, s)) Q(x, \gamma, \alpha_n(x, \gamma, s)) ds = \zeta. \end{array} \right\}, \\ \overline{fl}(x, \gamma, a) &:= (f_\gamma(x, a), \lambda(x, \gamma, a) Q(x, \gamma, a), l_\gamma(x, a)). \end{aligned}$$

**Remark 14** (a) The reader is invited to notice that, in the previous notations, " $(\alpha_n)_n \subset \mathcal{A}_{ad}$ " (resp. " $\alpha(x, \gamma, s)$ ") and can be replaced by " $(\alpha_n)_n \subset \mathcal{A}_{\gamma, x}$ " (resp. " $\alpha(s)$ "), see also the second part of the remark 4).

(b) Also, the assumptions on the coefficients imply that

$$\lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} f_\gamma(x, \alpha_n(x, \gamma, s)) ds = \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} f_\gamma(y_\gamma(s; x, \alpha_n(x, \gamma, s)), \alpha_n(x, \gamma, s)) ds,$$

and similar assertions hold true in the definition of  $\eta$  and  $\zeta$ .

We begin with the following technical result.

**Lemma 15** We assume **(Aa-Ad)** and **(A1-A4)** to hold true. For every  $x \in \mathcal{G} \setminus \{O\}$ , the following equality holds true

$$\overline{FL}(x, \gamma) = \overline{co} \overline{fl}(x, \gamma) := \overline{co} \{ \overline{fl}(x, \gamma, a) : a \in A_{\gamma, x} \}.$$

Moreover, for every  $j \leq N$ ,

$$\overline{FL}(e_j, \gamma) \subset \overline{co} \overline{fl}(e_j, \gamma) := \overline{co} \{ \overline{fl}(e_j, \gamma, a) : a \in A^{\gamma, j} \} \cap (\mathbb{R}_{-e_j} \times \mathcal{M}_+(E) \times \mathbb{R}).$$

**Proof.** Without loss of generality, we first assume that  $x \in J_1$ . It is clear that

$$\overline{FL}(x, \gamma) \subset \overline{co} \{ \overline{fl}(x, \gamma, a) : a \in A_{\gamma, x} \}.$$

Indeed, it suffices to use the assumption **(Ad)** to get the existence of some  $\theta > 0$  such that whenever  $\alpha \in \mathcal{A}_{ad}$ , one has  $\alpha(x, \gamma, t) \in A^{\gamma, 1}$  for almost all  $t \in [0, \theta]$ . Then, for every  $(\alpha_n)_n \subset \mathcal{A}_{ad}$ , and every sequence  $(t_n)_n \subset \mathbb{R}_+$  such that  $t_n \leq \theta$ , one has

$$\left( \begin{array}{c} \frac{1}{t_n} \int_0^{t_n} f_\gamma(x, \alpha_n(x, \gamma, s)) ds \\ \frac{1}{t_n} \int_0^{t_n} \lambda(x, \gamma, \alpha_n(x, \gamma, s)) Q(x, \gamma, \alpha_n(x, \gamma, s)) \\ \frac{1}{t_n} \int_0^{t_n} l_\gamma(x, \alpha_n(x, \gamma, s)) \end{array} \right) \in \overline{co} \{ \overline{fl}(x, \gamma, a) : a \in A_{\gamma, x} \}.$$

If  $x = e_1$ , then

$$\frac{1}{t_n} \int_0^{t_n} f_\gamma(y_\gamma(s; e_1, \alpha_n), \alpha_n(e_1, \gamma, s)) ds = \frac{y_\gamma(t_n; e_1, \alpha_n) - e_1}{t_n} \in \mathbb{R}_{-e_1}.$$

Hence, invoking part (b) of the Remark 14, it follows that

$$\overline{FL}(e_1, \gamma) \subset \overline{co} \{ \overline{fl}(e_1, \gamma, a) : a \in A^{\gamma, 1} \} \cap (\mathbb{R}_{-e_1} \times \mathcal{M}_+(E) \times \mathbb{R}).$$

For the converse inclusion, we fix  $x \in \mathcal{G} \setminus \{O\}$ . One begins by noticing that  $\overline{FL}(x, \gamma)$  is closed. Hence, it suffices to prove that

$$co\{\overline{fl}(x, \gamma, a) : a \in A^{\gamma,1}\} \subset \overline{FL}(x, \gamma).$$

We consider  $\lambda_i \geq 0, i \in \{1, \dots, K\}$  such that  $\sum_{i=1}^K \lambda_i = 1$  and  $a_i \in A^{\gamma,1}$ , pour tout  $i \in \{1, \dots, K\}$ .

Since  $x \in J_1$ , whenever  $t_n < \frac{\min(|x|, |x-e_1|)}{\max(|f|_0, 1)}$ , an admissible control  $\alpha \in \mathcal{A}_{\gamma, x}$  is obtained by setting

$$\alpha_n(t) = \sum_{i=1}^K a_i 1 \left[ \left( \sum_{j=1}^{i-1} \lambda_j \right) t_n, \left( \sum_{j=1}^i \lambda_j \right) t_n \right) (t) \text{ and the conclusion follows. } \blacksquare$$

The family of admissible test functions will be given by  $\varphi \in C_b(\overline{\mathcal{G}})$  for which  $\varphi|_{\overline{J_j}} \in C_b^1(\overline{J_j})$ , for all  $j = 1, N$ . If  $x \in J_j$ , we recall that

$$D\varphi(x; \xi) := \lim_{t \rightarrow 0} \frac{\varphi(x + t\xi) - \varphi(x)}{t},$$

for all  $\xi \in \mathbb{R}e_j$ . We also recall that

$$D\varphi(e_j; \xi) := \lim_{t \rightarrow 0^+} \frac{\varphi(e_j + t\xi) - \varphi(x)}{t},$$

for all  $\xi \in \mathbb{R}_{-}e_j$ . If  $\varkappa : [0, 1] \rightarrow \mathcal{G}$  is continuous and  $(t_n)_n \subset (0, 1]$  is such that  $\lim_{n \rightarrow \infty} t_n = 0$  and

$$\lim_{n \rightarrow \infty} \frac{\varkappa(t_n)}{t_n} = \xi,$$

we have

$$D\varphi(O; \xi) := \lim_{n \rightarrow \infty} \frac{\varphi(\varkappa(t_n)) - \varphi(O)}{t_n}$$

and note that this limit does not depend on the choice of  $\varkappa$ . To simplify the notations, we will also write  $\langle \xi, D\varphi(x) \rangle$  instead of  $D\varphi(x; \xi)$ . One notices easily that the choice of test functions is equivalent to taking a family of test functions  $\varphi_j \in C_b^1(\overline{J_j})$  such that  $\varphi_j(O) = \varphi_{j'}(O)$ , for all  $1 \leq j, j' \leq N$ .

We now introduce the definition of the generalized solution of the system (8).

**Definition 16** A bounded, upper semicontinuous function  $V$  is said to be a generalized viscosity subsolution of (8) if, for every  $(\gamma_0, x_0) \in E \times \mathcal{G}$  whenever  $\varphi \in C_b(\overline{\mathcal{G}})$  for which  $\varphi|_{\overline{J_j}} \in C_b^1(\overline{J_j})$ , for all  $j = 1, N$  is a test function such that  $x_0 \in \text{Argmax}(V(\cdot, \gamma_0) - \varphi(\cdot))$ , one has

$$\delta V(x_0, \gamma_0) + \sup_{(\xi, \zeta, \eta) \in \overline{FL}(x_0, \gamma_0)} \left\{ - \sum_{\gamma' \in E} \zeta(\gamma') (V(x_0, \gamma') - V(x_0, \gamma_0)) - \langle D\varphi(x_0; \xi) \rangle - \eta \right\} \leq 0.$$

A bounded, lower semicontinuous function  $V$  is said to be a generalized viscosity supersolution of (8) if, for every  $(\gamma_0, x_0) \in E \times \overline{\mathcal{G}}$  whenever  $\varphi \in C_b(\overline{\mathcal{G}})$  for which  $\varphi|_{\overline{J_j}} \in C_b^1(\overline{J_j})$ , for all  $j = 1, N$  is a test function such that  $x_0 \in \text{Argmin}(V(\cdot, \gamma_0) - \varphi(\cdot))$ , one has

$$\delta V(x_0, \gamma_0) + \sup_{(\xi, \zeta, \eta) \in \overline{FL}(x_0, \gamma_0)} \left\{ - \sum_{\gamma' \in E} \zeta(\gamma') (V(x_0, \gamma') - V(x_0, \gamma_0)) - \langle D\varphi(x; \xi) \rangle - \eta \right\} \geq 0.$$

## 5.2 (A) Viscosity solution

We are now able to state and proof the main result of the section.

**Theorem 17** *We assume (Aa-Ad, Ac') and (A1-A4) to hold true. Then, the value function  $v^\delta$  is a bounded uniformly continuous generalized solution of (8).*

**Proof.** We begin with the proof of the subsolution condition. Let us fix  $(\gamma_0, x_0) \in E \times (\mathcal{G} \setminus \{O\})$  and consider a regular test function  $\varphi$  such that  $x_0 \in \text{Argmax} (v^\delta(\cdot, \gamma_0) - \varphi(\cdot))$ . Then

$$\varphi(x_0) - \varphi(x) \leq v^\delta(x_0, \gamma_0) - v^\delta(x, \gamma_0),$$

for all  $x \in \bar{\mathcal{G}}$ . We can assume, without loss of generality, that  $\varphi(x_0) = v^\delta(x_0, \gamma_0)$ . Let us consider  $(\xi, \zeta, \eta) \in \overline{FL}(x_0, \gamma_0)$ . Then, there exist  $(\alpha_n)_n \subset \mathcal{A}_{ad}$ ,  $(t_n)_n \subset \mathbb{R}_+$ , s.t.  $\lim_{n \rightarrow \infty} t_n = 0$ , and

$$\begin{cases} \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} f_{\gamma_0}(x_0, \alpha_n(x_0, \gamma_0, s)) ds = \xi, \\ \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} \lambda(x_0, \gamma_0, \alpha_n(x_0, \gamma_0, s)) Q(x_0, \gamma_0, \alpha_n(x_0, \gamma_0, s)) ds = \zeta, \\ \lim_{n \rightarrow \infty} \frac{1}{t_n} \int_0^{t_n} l_{\gamma_0}(x_0, \alpha_n(x_0, \gamma_0, s)) ds = \eta. \end{cases}$$

We fix, for the time being,  $n \in \mathbb{N}$ . We let  $\tau_1^n$  be the first jumping time associated to  $\alpha_n(x, \gamma, \cdot)$ . Using the dynamic programming principle, one gets

$$\begin{aligned} 0 = v^\delta(x_0, \gamma_0) - \varphi(x_0) &\leq \mathbb{E} \left[ \frac{\int_0^{t_n \wedge \tau_1^n} e^{-\delta s} l_{\gamma_0}(y_{\gamma_0}(s; x_0, \alpha_n), \alpha_n(x_0, \gamma_0, s)) ds}{+ e^{-\delta(t_n \wedge \tau_1^n)} v^\delta(y_{\gamma_0}(t_n \wedge \tau_1^n; x_0, \alpha_n), \Gamma_{t_n \wedge \tau_1^n}^{x_0, \gamma_0, \alpha_n})} \right] - \varphi(x_0) \\ &\leq \mathbb{E} \left[ \frac{\int_0^{t_n \wedge \tau_1^n} e^{-\delta s} l_{\gamma_0}(x_0, \alpha_n(x_0, \gamma_0, s)) ds + \int_0^{t_n \wedge \tau_1^n} e^{-\delta s} \text{Lip}(l) |f|_0 s ds}{+ e^{-\delta \tau_1^n} v^\delta(y_{\gamma_0}(\tau_1^n; x_0, \alpha_n), \Gamma_{\tau_1^n}^{x_0, \gamma_0, \alpha_n}) \mathbf{1}_{\tau_1^n < t_n} + e^{-\delta t_n} \varphi(y_{\gamma_0}(t_n; x_0, \alpha_n)) \mathbf{1}_{\tau_1^n \geq t_n}} \right] \\ &\quad - \varphi(x_0) \\ &\leq |f|_0 \text{Lip}(l) t_n \mathbb{E}[t_n \wedge \tau_1^n] + |l|_0 \left( \int_0^{t_n} (1 - e^{-\delta s}) ds + t_n \mathbb{P}(\tau_1^n < t_n) \right) + \delta |\varphi|_0 t_n \mathbb{P}(\tau_1^n < t_n) \\ &\quad \mathbb{E} \left[ \int_0^{t_n} l_{\gamma_0}(x_0, \alpha_n(x_0, \gamma_0, s)) ds \right] + e^{-\delta t_n} \varphi(y_{\gamma_0}(t_n; x_0, \alpha_n)) - \varphi(x_0) \\ &\quad + \mathbb{E} \left[ e^{-\delta \tau_1^n} \left( v^\delta(y_{\gamma_0}(\tau_1^n; x_0, \alpha_n), \Gamma_{\tau_1^n}^{x_0, \gamma_0, \alpha_n}) - \varphi(y_{\gamma_0}(t_n; x_0, \alpha_n)) \right) \mathbf{1}_{\tau_1^n < t_n} \right]. \end{aligned}$$

We set

$$\lambda(s) := \lambda(y_{\gamma_0}(s; x_0, \alpha_n), \gamma_0, \alpha_n(x_0, \gamma_0, s)) \text{ and } \Lambda(s) := \exp \left( - \int_0^s \lambda(r) dr \right)$$

and one gets

$$\begin{aligned} 0 = v^\delta(x_0, \gamma_0) - \varphi(x_0) &\leq |f|_0 \text{Lip}(l) t_n \mathbb{E}[t_n \wedge \tau_1^n] + \text{Lip}(\varphi) |f|_0 t_n \mathbb{P}(\tau_1^n < t_n) + \delta |\varphi|_0 t_n \mathbb{P}(\tau_1^n < t_n) \\ &\quad + |l|_0 \left( \int_0^{t_n} (1 - e^{-\delta s}) ds + t_n \mathbb{P}(\tau_1^n < t_n) \right) \\ &\quad + e^{-\delta t_n} (\varphi(y_{\gamma_0}(t_n; x_0, \alpha_n)) - \varphi(x_0)) + (e^{-\delta t_n} - 1) \varphi(x_0) + \int_0^{t_n} l_{\gamma_0}(x_0, \alpha_n(x_0, \gamma_0, s)) ds \\ (9) \quad &+ \int_0^{t_n} e^{-\delta s} \lambda(s) \Lambda(s) \left( \sum_{\gamma' \neq \gamma_0} Q(y_{\gamma_0}(s; x_0, \alpha_n), \gamma_0, \gamma', \alpha_n(x_0, \gamma_0, s)) (v^\delta(y_{\gamma_0}(s; x_0, \alpha_n), \gamma') - \varphi(x_0)) \right) ds. \end{aligned}$$

The reader is invited to notice that

$$\begin{cases} |e^{-\delta s} \lambda(s) \Lambda(s) - \lambda(x_0, \alpha_n(x_0, \gamma_0, s))| \leq (|f|_0 \text{Lip}(\lambda) + |\lambda|_0 (\delta + |\lambda|_0)) t_n, \\ |Q(y_{\gamma_0}(s; x_0, \alpha_n), \gamma_0, \gamma', a) - Q(x_0, \gamma_0, \gamma', a)| \leq |f|_0 \text{Lip}(Q) t_n, \\ |v^\delta(y_{\gamma_0}(s; x_0, \alpha_n), \gamma') - v^\delta(x_0, \gamma')| = \omega^\delta(|f|_0 t_n), \end{cases}$$

whenever  $s \leq t_n$ , where  $\omega^\delta$  denotes the continuity modulus of  $v^\delta$ . Also,

$$\frac{y_\gamma(t_n; x_0, \alpha_n) - x_0}{t_n} = \frac{\int_0^{t_n} f_\gamma(y_\gamma(s; x_0, \alpha_n), \alpha_n(x_0, \gamma_0, s)) ds}{t_n} = \frac{\int_0^{t_n} f_\gamma(x_0, \alpha_n(x_0, \gamma_0, s)) ds}{t_n} + \omega(t_n),$$

(where  $\lim_{\varepsilon \rightarrow 0} \omega(\varepsilon) = 0$ ). We divide (9) by  $t_n$  and allow  $n \rightarrow \infty$  to get

$$0 \leq \eta - \delta \varphi(x_0) + D\varphi(x_0; \xi) + \sum_{\gamma' \neq \gamma} \zeta(\gamma') (v^\delta(x_0, \gamma') - v^\delta(x_0, \gamma)).$$

The conclusion follows by recalling that  $(\xi, \zeta, \eta) \in \overline{FL}(x_0, \gamma_0)$  is arbitrary.

To prove that  $v^\delta$  is a viscosity supersolution of the associated Hamilton-Jacobi integrodifferential equation, let us fix, for the time being,  $\varepsilon > 0$ . We equally fix  $(\gamma_0, x_0) \in E \times \mathcal{G}$  and consider a test function  $\varphi$  such that  $x_0 \in \text{Argmin}(v^\delta(\cdot, \gamma_0) - \varphi(\cdot))$ . Then

$$\varphi(x_0) - \varphi(x) \geq v^\delta(x_0, \gamma_0) - v^\delta(x, \gamma_0),$$

for all  $x \in \overline{\mathcal{G}}$ . We can assume, without loss of generality, that  $\varphi(x_0) = v^\delta(x_0, \gamma_0)$ . There exists an admissible control  $\alpha^\varepsilon$  such that

$$v^\delta(x_0, \gamma_0) + \varepsilon \geq \mathbb{E} \left[ \begin{aligned} & \int_0^{\sqrt{\varepsilon} \wedge \tau_1} e^{-\delta s} l_{\gamma_0}(y_{\gamma_0}(s; x_0, \alpha^\varepsilon), \alpha^\varepsilon(s)) ds \\ & + e^{-\delta(\sqrt{\varepsilon} \wedge \tau_1)} v^\delta(y_{\gamma_0}(\sqrt{\varepsilon} \wedge \tau_1; x_0, \alpha^\varepsilon), \Gamma_{\sqrt{\varepsilon} \wedge \tau_1}^{x_0, \gamma_0, \alpha^\varepsilon}) \end{aligned} \right].$$

(For notation purposes, we have dropped the dependency of  $\gamma_0, x_0$  in  $\alpha^\varepsilon$ ). As in the first part of our proof,  $\tau_1$  denotes the first jumping time associated to the admissible control process  $\alpha^\varepsilon$ . Using similar estimates to the first part, one gets

$$\begin{aligned} 0 &= v^\delta(x_0, \gamma_0) - \varphi(x_0) \\ &\geq -\varepsilon - |f|_0 \text{Lip}(l) \sqrt{\varepsilon} \mathbb{E}[\sqrt{\varepsilon} \wedge \tau_1] - \text{Lip}(\varphi) |f|_0 \sqrt{\varepsilon} \mathbb{P}(\tau_1 < \sqrt{\varepsilon}) - \delta | \varphi |_0 \sqrt{\varepsilon} \mathbb{P}(\tau_1 < \sqrt{\varepsilon}) \\ &\quad - |l|_0 \left( \int_0^{\sqrt{\varepsilon}} (1 - e^{-\delta s}) ds + \sqrt{\varepsilon} \mathbb{P}(\tau_1 < \sqrt{\varepsilon}) \right) \\ &\quad + e^{-\delta \sqrt{\varepsilon}} (\varphi(y_\gamma(\sqrt{\varepsilon}; x_0, \alpha^\varepsilon)) - \varphi(x_0)) + (e^{-\delta \sqrt{\varepsilon}} - 1) \varphi(x_0) \\ &\quad + \int_0^{\sqrt{\varepsilon}} e^{-\delta s} \lambda(s) \Lambda(s) \left( \sum_{\gamma' \neq \gamma_0} Q(y_{\gamma_0}(s; x_0, \alpha^\varepsilon), \gamma_0, \gamma', \alpha^\varepsilon(s)) (v^\delta(y_{\gamma_0}(s; x_0, \alpha^\varepsilon), \gamma') - \varphi(x_0)) \right) ds, \end{aligned}$$

where  $\lambda(s) := \lambda(y_{\gamma_0}(s; x_0, \alpha^\varepsilon), \gamma_0, \alpha^\varepsilon(s))$  and  $\Lambda(s) := \exp(-\int_0^s \lambda(r) dr)$ . We recall that  $f$ ,  $\lambda$  and  $Q$  are Lipschitz-continuous and bounded and  $v^\delta$  is uniformly continuous and bounded. The conclusion follows similarly to the subsolution case by dividing the inequality by  $\sqrt{\varepsilon}$ , recalling the definition of  $\overline{FL}(x_0, \gamma_0)$  and allowing  $\varepsilon$  (or some subsequence) to go to 0. ■

## 6 Extending the intersection and linearizing the value function

### 6.1 Additional directions

Without loss of generality, we assume that  $-e_j \notin \overline{\mathcal{G}}$ , for all  $j \leq M \leq N$  and  $-e_j \in \overline{\mathcal{G}}$ , for all  $M < j \leq N$ . We define

$$e_j := -e_{j-N}, E_j^{\text{active}} := E_{j-N}^{\text{active}}, E_j^{\text{inactive}} := E_{j-N}^{\text{inactive}},$$

whenever  $N < j \leq M + N$ . For every  $\varepsilon > 0$ , we complete  $\mathcal{G}$  into  $\mathcal{G}^{+, \varepsilon}$  by adding  $[0, \varepsilon e_j)$  for  $N < j \leq M + N$  and  $(1, 1 + \varepsilon) e_j$ , for  $j \leq N$ .

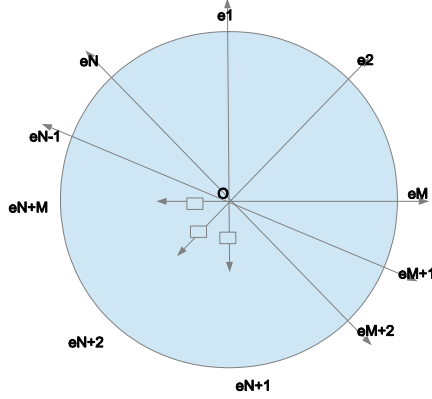


Fig. 2. The complete intersection

To simplify the presentation, throughout the subsection, we make the following assumption :

**(B)** Whenever  $M < j, j' \leq N$  are such that  $e_{j'} = -e_j$ , then  $A^{\gamma, j} = A^{\gamma, j'}$ , for all  $\gamma \in E$ .

**Remark 18** *Roughly speaking, on the roads that cross the intersection (of type  $(-1, 1) e_j$ ), the same family of (piecewise constant) controls can be used both at the entrance and at the exit of the intersection.*

### 6.1.1 Inactive roads

The reader is invited to notice that, if  $e_j, e_{j'} = -e_j \in \bar{\mathcal{G}}$  then, for every  $\gamma \in E_j^{inactive} \cap E_{j'}^{inactive}$ ,  $f_\gamma(O, a) = 0$ , for all  $a \in A^{\gamma, j} \cap A^{\gamma, j'}$ . This is a mere consequence of the assumption **(Ab)** which implies that  $\langle f_\gamma(O, a), e_j \rangle \leq 0$  and  $\langle f_\gamma(O, a), e_{j'} \rangle \leq 0$ , for all  $a \in A^{\gamma, j} \cap A^{\gamma, j'}$ . In particular, if **(B)** holds true, then  $f_\gamma(O, a) = 0$ , for all  $a \in A^{\gamma, j} (= A^{\gamma, j'})$  whenever  $\gamma \in E_j^{inactive} \cap E_{j'}^{inactive}$ .

Hence, in order to obtain a similar behavior for the completed intersection, it is natural to strengthen the assumption **(Ab)**. We will assume that,

**(Ab')** Whenever  $\gamma \in E_j^{inactive}$  for some  $j \leq M$ , then  $f_\gamma(O, a) = 0$ , for all  $a \in A^{\gamma, j}$ .

**Remark 19** *This is, of course, less general than the existence of one  $a_{\gamma, j}^0 \in A^{\gamma, j}$  guaranteed by **(Ab)**. The assumption states that, whenever the road  $j$  is inactive, a vehicle that needs to go on this road should wait until it is repaired.*

## 6.2 Extending the dynamics

Unless stated otherwise, we assume the (pseudo-)controllability conditions **(Aa, Ab, Ad)**, the compatibility at the intersection **(Ab', Ac')**, the regularity of the coefficients and cost functions **(A1-A4)** and the compatibility condition **(B)** to hold true.

We are now able to extend  $f$  (and  $\lambda, Q$ ) to  $\left(\bigcup_{j=1,N} \mathbb{R}e_j\right) \times A$  by setting

$$f_\gamma(x, a) = \begin{cases} f_\gamma(x, a), & \text{if } x \in (0, 1)e_j, j \leq N, \\ f_\gamma(e_j, a), & \text{if } x \in [1, \infty)e_j, j \leq N, \\ -f_\gamma(-x, a), & \text{if } \gamma \in E_j^{\text{inactive}}, x \in \mathbb{R}_-e_j, j \leq M, \\ f_\gamma(O, a), & \text{if } \gamma \in E_j^{\text{active}}, x \in \mathbb{R}_-e_j, j \leq M. \end{cases}$$

For the other elements ( $\varphi \in \{\lambda, l, Q\}$ ), we set

$$\varphi(x, \gamma, a) = \begin{cases} \varphi(x, \gamma, a), & \text{if } x \in (0, 1)e_j, j \leq N, \\ \varphi(e_j, \gamma, a), & \text{if } x \in [1, \infty)e_j, j \leq N, \\ \varphi(O, \gamma, a), & \text{otherwise.} \end{cases}$$

(by abuse of notation,  $l(x, \gamma, a) = l_\gamma(x, a)$ ).

This particular construction for  $f$  is needed in order to guarantee that the assumptions **(Aa)** and **(Ab)** hold true for the new system on  $\mathcal{G}^{+, \varepsilon}$ . It basically suggests that in the active case, the vehicle will continue its road on the extension of the road with the same speed as in  $O$ . In the inactive case, the extension of the road is obtained by looking at the road  $j$  using a mirror.

### 6.3 Krylov's "shaking the coefficients" method

For  $r > 0$ , we let  $B_r$  denote the  $r$ -radius closed ball  $B_r = \{y \in \mathbb{R}^2 : |y| \leq r\}$ . We set

$$\begin{cases} f_\gamma^\rho(x, a, b) = f_\gamma(x + \rho b, a), \\ \varphi^\rho(x, \gamma, a, b) = \varphi(x + \rho b, \gamma, a), \text{ if } \varphi \in \{\lambda, Q, l\}, \end{cases}$$

for all  $(x, a, b) \in \bigcup_{j=1,N} ([-\varepsilon, 1 + \varepsilon]e_j \times A \times [-1, 1]e_j)$ , and all  $|b| \leq 1$ . Let us fix, for the time being,  $\varepsilon \geq \rho > 0$  and consider the control problem on  $\mathcal{G}^{+, \varepsilon}$ . We denote by

$$J_j^{\varepsilon, +} := (0, 1 + \varepsilon)e_j, \text{ for all } j = 1, N, \quad J_j^{\varepsilon, -} := \begin{cases} (-\varepsilon, 0)e_j, & \text{for } j \leq M, \\ (-1 - \varepsilon, 0)e_j, & \text{for } M < j \leq N, \end{cases}, \quad J_j^\varepsilon := J_j^{\varepsilon, +} \cup J_j^{\varepsilon, -}.$$

for all  $j = 1, N$ .

We set

$$\bar{A} := \bigcup_{j=1,N} (A^{\gamma, j} \times [-1, 1]e_j), \quad \bar{A}^{\gamma, j} := A^{\gamma, j} \times [-1, 1]e_j.$$

Under the assumptions **(Aa-Ab)**, (almost) the same kind of assertions (with the same Lipschitz constants and bounds) still hold true for the new extended system :

The reader is invited to notice that the following hold true :

$$(\overline{Aa}) \quad \bar{A}_{\gamma, x} = \bar{A}^{\gamma, j}, \text{ if } x \in J_j^{\varepsilon, +}, \quad \bar{A}_{\gamma, O} = \bigcup_{j=1,N} \bar{A}^{\gamma, j}, \quad \bar{A}_{\gamma, (1+\varepsilon)e_j} = A_{\gamma, e_j} \times [-1, 1]e_j,$$

for all  $j = 1, N$ . Let us fix  $j \leq M$ .

(i) If  $\gamma \in E_j^{\text{active}}$ , then

$$\bar{A}_{\gamma, -\varepsilon e_j} = \left\{ (a, b) \in \bar{A}^{\gamma, j} : f_\gamma(O, a) \in \mathbb{R}_+e_j \right\}.$$

The set  $\bar{A}_{\gamma, -\varepsilon e_j}$  is nonempty. Indeed, the control  $(a_{\gamma, j}^+, b)$  ( $a_{\gamma, j}^+$  given by the assumption **(Ab)** and  $b \in [-1, 1]e_j$  arbitrary) belongs to  $\bar{A}_{\gamma, -\varepsilon e_j}$  and

$$\left\langle f_\gamma^\rho(-\varepsilon e_j, a_{\gamma, j}^+, b), (-e_j) \right\rangle = \left\langle f_\gamma(O, a_{\gamma, j}^+), (-e_j) \right\rangle < -\beta,$$

for all  $b \in [-1, 1] e_j$ .

(ii) If  $\gamma \in E_j^{\text{inactive}}$ , then

$$\overline{A}_{\gamma, -\varepsilon e_j} = \overline{A}^{\gamma, j}.$$

Indeed,

$$\langle f_\gamma^\rho(-\varepsilon e_j, a, b), (-e_j) \rangle = \langle -f_\gamma(\varepsilon e_j - \rho b, a), (-e_j) \rangle = \langle f_\gamma(\varepsilon e_j - \rho b, a), e_j \rangle \leq 0,$$

for  $\varepsilon$  small enough and all  $(a, b) \in \overline{A}^{\gamma, j}$ .

Thus, **(Aa)** holds true for the system driven by  $(f^\rho, \lambda^\rho, Q^\rho)$ .

Concerning the assumption **(Ab)**, for the already existing branches, it suffices to take  $b = 0$  and the controls  $a_{\gamma, j}^+, a_{\gamma, j}^-, a_{\gamma, j}^0$ . Let us now fix  $j \leq M$ .

(i) If  $\gamma \in E_j^{\text{active}}$ , then  $\gamma \in E_{j+N}^{\text{active}}$ , by construction. We recall that  $e_{j+N} = -e_j$ . Moreover we have

$$\langle f_\gamma^\rho(O, (a_{\gamma, j}^+, 0)), -e_j \rangle < -\beta \text{ and } \langle f_\gamma^\rho(O, (a_{\gamma, j}^-, 0)), e_j \rangle > \beta.$$

(ii) For  $\gamma \in E_j^{\text{inactive}} = E_{j+N}^{\text{active}}$ ,

$$\langle f_\gamma^\rho(x, (a_{\gamma, j}^-, 0)), -e_j \rangle = \langle -f_\gamma(-x, a_{\gamma, j}^-), -e_j \rangle \leq -\beta \langle -x, e_j \rangle^\kappa,$$

for all  $x \in [-\varepsilon, 0] e_j$  and  $f_\gamma^\rho(O, (a_{\gamma, j}^0, 0)) = 0$ .

We cannot have

$$\langle f_\gamma^\rho(x, (a, b)), -e_j \rangle \leq 0,$$

for all  $(a, b) \in \overline{A}^{\gamma, j}$  and all  $x \in J_j$ ,  $|x| \leq \eta$  (close enough to  $O$ ). Nevertheless, as we have already hinted before (see Remark 7 (ii)), this condition and the one in **(Ac)** are no longer necessary since every control is (locally) admissible at  $O$ . Thus, the conclusion of the Lemma 6 holds true and so do all the assertions on the value functions in this framework.

At this point, we consider the process  $(X_t^{\rho, x_0, \gamma_0, \bar{\alpha}}, \Gamma_t^{\rho, x_0, \gamma_0, \bar{\alpha}})$  constructed as in section 2 using  $(f^\rho, \lambda^\rho, Q^\rho)$  and controls  $\bar{\alpha}$  with values in  $\overline{A}$ . We also let  $y^\rho$  denote the solution of the ordinary differential equation driven by  $f^\rho$ .

Then, the value functions

$$v^{\delta, \varepsilon, \rho}(x, \gamma) := \inf_{\bar{\alpha} \in \overline{\mathcal{A}}_{ad}^N} \mathbb{E} \left[ \sum_{n \geq 0} \int_{\tau_n}^{\tau_{n+1}} e^{-\delta t} l_{\Gamma_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}}^\rho \left( y_{\Gamma_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}}^\rho(t; X_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}, \bar{\alpha}_{n+1}), \bar{\alpha}_{n+1}(X_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}, \Gamma_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}, t - \Gamma_{\tau_n}^{\rho, x, \gamma, \bar{\alpha}}) \right) \right]$$

are bounded, uniformly continuous and satisfy, in the generalized sense given by definition 16 and Theorem 17 the Hamilton-Jacobi integrodifferential system

$$(10) \quad \delta v^{\delta, \varepsilon, \rho}(x, \gamma) + \sup_{(a, b) \in \overline{A}_{\gamma, x}} \left\{ -\langle f_\gamma(x + \rho b, a), Dv^{\delta, \varepsilon, \rho}(x, \gamma) \rangle - l_\gamma(x + \rho b, a) - \lambda(x + \rho b, \gamma, a) \sum_{\gamma' \in E} Q(x + \rho b, \gamma, \gamma', a) (v^{\delta, \varepsilon, \rho}(x, \gamma') - v^{\delta, \varepsilon, \rho}(x, \gamma)) \right\} \leq 0,$$

for all  $(x, \gamma) \in \mathcal{G}^{+, \varepsilon} \times E$ .



## 6.4 Another definition for solutions in the extended intersection

We define

$$\overline{co} \bar{f} l^\rho(O, \gamma) := \bigcup_{j=1, N} \overline{co} \left\{ \bar{f} l^\rho(O, \gamma, (a, b)) : (a, b) \in \overline{A}^{\gamma, j} \right\}$$

and recall that

$$\overline{F} L^\rho(x, \gamma) = \overline{co} \bar{f} l^\rho(x, \gamma) \left( := \overline{co} \left\{ \bar{f} l^\rho(x, \gamma, a) : a \in A_{\gamma, x} \right\} \right),$$

for all  $x \in \mathcal{G}^{+, \varepsilon} \setminus \{O\}$  and, for every  $j \leq N$ ,

$$\begin{aligned} \overline{F} L^\rho((1 + \varepsilon) e_j, \gamma) &\subset \overline{co} \bar{f} l^\rho((1 + \varepsilon) e_j, \gamma) \\ &\left( := \overline{co} \left\{ \bar{f} l^\rho((1 + \varepsilon) e_j, \gamma, a) : a \in A^{\gamma, e_j} \right\} \cap (\mathbb{R}_- e_j \times \mathcal{M}_+(E) \times \mathbb{R}) \right). \end{aligned}$$

Also, for every  $j \leq M$ ,

$$\begin{aligned} \overline{F} L^\rho(-\varepsilon e_j, \gamma) &\subset \overline{co} \bar{f} l^\rho(-\varepsilon e_j, \gamma) \\ &\left( := \overline{co} \left\{ \bar{f} l^\rho(-\varepsilon e_j, \gamma, a) : a \in A^{\gamma, e_j} \right\} \cap (\mathbb{R}_+ e_j \times \mathcal{M}_+(E) \times \mathbb{R}) \right) \end{aligned}$$

We also introduce the following

**Definition 20** A bounded, upper (resp. lower) semicontinuous function  $V$  is said to be a classical constrained viscosity subsolution (resp. supersolution) of (10) if, for every  $(\gamma_0, x_0) \in E \times \mathcal{G}^{+, \varepsilon}$  (resp.  $E \times \overline{\mathcal{G}}^{+, \varepsilon}$ ), whenever  $\varphi \in C_b(\overline{\mathcal{G}}^{+, \varepsilon})$  for which  $\varphi|_{\overline{J_j^\varepsilon}} \in C_b^1(\overline{J_j^\varepsilon})$ , for all  $j = 1, N$  is a test function such that  $x_0 \in \text{Argmax}(V(\cdot, \gamma_0) - \varphi(\cdot))$ , one has

$$\delta V(x_0, \gamma_0) + \sup_{(\xi, \zeta, \eta) \in \overline{co} \bar{f} l^\rho(x_0, \gamma_0)} \left\{ - \sum_{\gamma' \in E} \zeta(\gamma') (V(x_0, \gamma') - V(x_0, \gamma_0)) - \langle D\varphi(x_0; \xi) \rangle - \eta \right\} \leq 0,$$

(resp.  $\geq 0$ ).

We get the following characterization of  $v^{\delta, \varepsilon, \rho}$ .

**Theorem 21** The bounded uniformly continuous function  $v^{\delta, \varepsilon, \rho}$  is a classical constrained viscosity subsolution of (10). Moreover, it satisfies the supersolution condition on  $E \times (\overline{\mathcal{G}}^{+, \varepsilon} \setminus \{O\})$ .

**Proof.** The reader is invited to note that the test functions in this case are more regular than in definition 16. Thus, the equality  $\overline{F} L^\rho(x, \gamma) = \overline{co} \bar{f} l^\rho(x, \gamma)$  implies the viscosity sub/super condition at every point  $x \in \mathcal{G}^{+, \varepsilon} \setminus \{O\}$ . The supersolution condition at  $(1 + \varepsilon) e_j$  (resp.  $-\varepsilon e_j$ ) follows from the inclusion  $\overline{F} L^\rho((1 + \varepsilon) e_j, \gamma) \subset \overline{co} \bar{f} l^\rho((1 + \varepsilon) e_j, \gamma)$  (resp.  $\overline{F} L^\rho(-\varepsilon e_j, \gamma) \subset \overline{co} \bar{f} l^\rho(-\varepsilon e_j, \gamma)$ ).

The constant control  $(a, b) \in \overline{A}^{\gamma, 1}$  is locally admissible at  $O$  (on the extended graph  $\overline{\mathcal{G}}^{+, \varepsilon}$ ). Hence, reasoning as in the subsolution part of theorem 17 (for constant  $\overline{\alpha}_n = (a, b)$ ), one proves that, if  $\varphi$  is a regular test function such that  $O \in \text{Argmax}(v^\delta(\gamma, \cdot) - \varphi(\cdot))$ , then

$$\begin{aligned} 0 &\leq l_\gamma^\rho(O, (a, b)) - \delta\varphi(O) + \left\langle D\left(\varphi|_{\overline{J_1^\varepsilon}}\right)(O), f_\gamma(x, (a, b)) \right\rangle + \\ &\lambda^\rho(O, \gamma, (a, b)) \sum_{\gamma' \neq \gamma} Q^\rho(O, \gamma, \gamma', (a, b)) \left( v^{\delta, \varepsilon, \rho}(O, \gamma') - v^{\delta, \varepsilon}(O, \gamma) \right). \end{aligned}$$

Thus, simple continuity and convexity arguments imply that

$$\delta\varphi(O) + \sup_{(\xi, \zeta, \eta) \in \overline{co} \left\{ \bar{f} l^\rho(O, \gamma, (a, b)) : (a, b) \in \overline{A}^{\gamma, 1} \right\}} \left\{ - \sum_{\gamma' \in E} \zeta(\gamma') \left( v^{\delta, \varepsilon, \rho}(O, \gamma') - v^{\delta, \varepsilon, \rho}(O, \gamma) \right) - \langle D\varphi(O; \xi) \rangle - \eta \right\} \leq 0$$

and the subsolution condition follows. ■

**Remark 22** In order to have (classical) uniqueness, one has to impose further conditions at the origin  $O$ . For example, in the case when  $l_\gamma(O, a)$  does not depend on  $a$  for all  $\gamma \in \bigcup_{j \leq N} E_j^{\text{active}}$ , one reasons in the same way as in Section 5.2 of [1]. The arguments are quasi-identical and we prefer to concentrate on a different approach to uniqueness. Alternatively, one can impose the analog of the Assumption 2.3 in [1], i.e.

$$\left( \{0\} \times \mathcal{M}_+(E) \times \left\{ \inf_{a \in A} l_\gamma(O, a) \right\} \right) \cap \overline{co} \left\{ \bar{f}l^0(O, \gamma, (a, b)) : (a, b) \in \bar{A}^{\gamma, j} \right\} \neq \emptyset,$$

for all  $j$  such that  $\gamma \in E_j^{\text{active}}$ .

## 6.5 Convergence to the initial value function

Unless stated otherwise, we assume the controllability conditions **(Aa, Ab, Ad)**, the compatibility at the intersection **(Ab', Ac')**, the regularity of the coefficients and cost functions **(A1-A4)** and the compatibility condition **(B)** to hold true.

**(C)** Throughout the subsection, we also assume that  $l$  does not depend on the control at  $O$  and the nodes  $e_j$ .

This "projection long-run compatibility condition" will allow to change the control process around the "critical" points in order to obtain, from admissible controls on  $\bar{\mathcal{G}}^{+, \varepsilon}$  an admissible control keeping the trajectory in  $\bar{\mathcal{G}}$ . This assumption **(C)** is only needed to prove Lemma 23 in its full generality. We have chosen to give a deeper result in Lemma 23 for further developments on the subject.

Let us fix  $\varepsilon > 0$  small enough. We introduce the following notations:

$$t_\varepsilon := -\frac{1}{\delta} \ln \left( \frac{\varepsilon \delta}{2|f|_0} \right), \quad \rho_\varepsilon := -\frac{\varepsilon^{1+\frac{2\text{Lip}(f)}{(1-\kappa)\delta}}}{\ln(\varepsilon)}, \quad r'_\varepsilon \leq \frac{\rho_\varepsilon}{2},$$

$$\omega_\varepsilon(t; r) := e^{\text{Lip}(f)t} \left( r + (2\rho_\varepsilon \vee 4r'_\varepsilon) \text{Lip}(f)t \right), \quad t \geq 0, r \geq 0, \quad \Phi(\varepsilon) := \left( \frac{|f|_0}{(1-\kappa)\beta} + 1 \right) (\omega_\varepsilon(t_\varepsilon; r'_\varepsilon))^{1-\kappa}.$$

The reader is invited to note that

$$\omega_\varepsilon(t; \omega_\varepsilon(t^*; r)) \leq \omega_\varepsilon(t^* + t; r),$$

for all  $t, t^*, r \geq 0$ . To get the best approximation and simplify the proof of Lemma 23, we also strengthen **(A1)** and ask that the restriction of  $f_\gamma$  to  $[0, 1]e_j$  be Lipschitz-continuous for  $\gamma \in E_j^{\text{active}}$ . We emphasize that this only affects the definition of  $\rho_\varepsilon$  in Lemma 23 but not Theorem 25.

With these notations, we establish.

**Lemma 23** Whenever  $\gamma \in E$ ,  $x \in J_1^\varepsilon$  and  $\bar{\alpha} = (\alpha, \beta) \in \bar{\mathcal{A}}_{\gamma, x}$ , there exists  $\mathcal{P}_x^\varepsilon(\alpha)$  (also depending on  $\gamma$ ) such that  $(\mathcal{P}_x^\varepsilon(\alpha), 0) \in \bar{\mathcal{A}}_{\gamma, x}$  such that

$$(11) \quad |y_\gamma^{\rho_\varepsilon}(t; x, (\mathcal{P}_x^\varepsilon(\alpha), 0)) - y_\gamma^{\rho_\varepsilon}(t; x, \bar{\alpha})| \leq \omega_\varepsilon(t_\varepsilon; \Phi(\varepsilon)),$$

for  $t \leq t_\varepsilon$ . Moreover, when **(C)** holds true,

$$(12) \quad \lim_{\varepsilon \rightarrow 0} \sup_{t \leq t_\varepsilon} \left| \int_0^t e^{-\delta s} l_\gamma^{\rho_\varepsilon}(y_\gamma^{\rho_\varepsilon}(t; x, (\mathcal{P}_x^\varepsilon(\alpha), 0)), (\mathcal{P}_x^\varepsilon(\alpha)(s), 0)) ds - \int_0^t e^{-\delta s} l_\gamma(y_\gamma(s; x, \bar{\alpha}), \bar{\alpha}(s)) ds \right| = 0.$$

(ii) Moreover, if  $\bar{\alpha} = (\alpha, \beta) \in \bar{\mathcal{A}}_{ad}$ , then, for every  $\varepsilon > 0$  there exists  $(\mathcal{P}^\varepsilon(\bar{\alpha}), 0) \in \bar{\mathcal{A}}_{ad}$  such that the previous inequalities are satisfied with  $\mathcal{P}^\varepsilon(\bar{\alpha})(x, \gamma, \cdot)$  replacing  $\mathcal{P}_x^\varepsilon(\bar{\alpha})$ .

We postpone the proof of this Lemma to the Appendix. We emphasize that whenever  $(\alpha, 0) \in \overline{\mathcal{A}}_{ad}$ , one has  $y_\gamma^\rho(t; x, (\alpha, 0)) = y_\gamma(t; x, \alpha)$  (and similar for  $l_\gamma^\rho, Q_\gamma^\rho, \lambda_\gamma^\rho$ ), even though  $\alpha$  may not belong to  $\mathcal{A}_{\gamma, x}$ . The second argument takes care of this later issue.

**Lemma 24** *Let us consider  $T > 0$ . Then, there exists a decreasing function  $\omega : \mathbb{R}_+ \rightarrow \mathbb{R}_+$  such  $\omega(0) = \omega(0+) = 0$  and whenever  $\gamma \in E$ ,  $x \in \overline{\mathcal{G}}$ , and  $(\alpha, 0) \in \overline{\mathcal{A}}_{\gamma, x}$ , there exists  $\mathcal{P}_{\gamma, x}(\alpha) \in \mathcal{A}_{\gamma, x}$  such that*

$$\begin{aligned} |y_\gamma(t; x, \alpha) - y_\gamma(t; x, \mathcal{P}_{\gamma, x}(\alpha))| &\leq \omega(\varepsilon), \\ \sup_{t \leq T} \int_0^t e^{-\delta s} l_\gamma(y_\gamma(t; x, \mathcal{P}_{\gamma, x}(\alpha)), \mathcal{P}_{\gamma, x}(\alpha)(s)) ds &\leq \omega(\varepsilon), \\ - \int_0^t e^{-\delta s} l_\gamma(y_\gamma(t; x, \alpha), \alpha(s)) ds &\leq \omega(\varepsilon), \end{aligned}$$

and

$$\sup_{s \leq T} |Q(y_\gamma(s; x, \mathcal{P}_{\gamma, x}(\alpha)), \gamma, \gamma', \mathcal{P}_{\gamma, x}(\alpha)(s)) - Q(y_\gamma(s; x, \alpha), \gamma, \gamma', \alpha(s))| + |\lambda(y_\gamma(s; x, \mathcal{P}_{\gamma, x}(\alpha)), \gamma, \mathcal{P}_{\gamma, x}(\alpha)(s)) - \lambda(y_\gamma(s; x, \alpha), \gamma, \alpha(s))| \leq \omega(\varepsilon),$$

for all  $\gamma' \in E$ .

(ii) Moreover, if  $(\alpha, 0) \in \overline{\mathcal{A}}_{ad}$ , then, for every  $\varepsilon > 0$  there exists  $\mathcal{P}(\alpha) \in \mathcal{A}_{ad}$  such that the previous inequalities are satisfied with  $\mathcal{P}(\alpha)(x, \gamma, \cdot)$  replacing  $\mathcal{P}_{\gamma, x}(\alpha)(\cdot)$ .

Although the approach is rather obvious (when looking at the proofs of Lemmae 6 or 23), hints on the proof are given in the Appendix. We wish to emphasize that, although the trajectories can be kept close up to a fixed  $T$  due to the proximity of  $\overline{\mathcal{G}}^{+, \varepsilon}$  and  $\overline{\mathcal{G}}$ , we cannot do better than  $\varepsilon$ . Thus, we are unable to give the same kind of estimates up to  $t_\varepsilon$ .

The main result of the subsection is the following convergence theorem.

**Theorem 25** *Under the assumption (C), the following convergence holds true*

$$\lim_{\varepsilon \rightarrow 0} \sup_{x \in \overline{\mathcal{G}}, \gamma \in E} |v^{\delta, \varepsilon, \rho_\varepsilon}(x, \gamma) - v^\delta(x, \gamma)| = 0.$$

**Proof.** The definition of our value functions yields  $v^{\delta, \varepsilon, \rho_\varepsilon} \leq v^\delta$  on  $\overline{\mathcal{G}} \times E$ . Hence, we only need to prove the converse inequality. The proof is very similar to that of Theorem 15 in [11]. Let us fix  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ ,  $T > 0$  and (for the time being,)  $\varepsilon > 0$ . Then using the dynamic programming principle for  $v^{\delta, \varepsilon, \rho_\varepsilon}$  one gets the existence of some admissible control process  $\overline{\alpha}$  such that

$$(13) \quad v^{\delta, \varepsilon, \rho_\varepsilon}(x, \gamma) \geq \mathbb{E} \left[ \int_0^{T \wedge \tau_1} e^{-\delta t} l_\gamma^\rho(y_\gamma^\rho(t; x, \alpha), \overline{\alpha}(x, \gamma, t)) dt + e^{-\delta(T \wedge \tau_1)} v^\delta(y_\gamma^\rho(T \wedge \tau_1; x, \alpha), \Gamma_{T \wedge \tau_1}^{\rho_\varepsilon, x, \gamma, \overline{\alpha}}) \right] - \varepsilon.$$

For simplicity, we let  $\mathcal{P}$  and  $\mathcal{P}^\varepsilon$  denote the two projectors of the previous lemmae and introduce the following notations:

$$\begin{aligned} \overline{\alpha}_t &= \overline{\alpha}(x, \gamma, t), \quad \alpha_t = \mathcal{P}(\mathcal{P}^\varepsilon(\overline{\alpha}))(x, \gamma, t), \\ \overline{\lambda}(t) &= \lambda(y_\gamma^\rho(t; x, \overline{\alpha}), \gamma, \overline{\alpha}_t), \quad \overline{\Lambda}(t) = \exp\left(-\int_0^t \overline{\lambda}(s) ds\right) \\ \lambda(t) &= \lambda(y_\gamma(t; x, \alpha), \gamma, \alpha_t), \quad \Lambda(t) = \exp\left(-\int_0^t \lambda(s) ds\right), \end{aligned}$$

for all  $t \geq 0$ . We denote the right-hand member of the inequality (13) by  $I$ . Then,  $I$  is explicitly

given by

$$\begin{aligned}
I &= \int_0^T \bar{\lambda}(t) \bar{\Lambda}(t) \int_0^t e^{-\delta s} l_{\gamma}^{\rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(s; x, \bar{\alpha}), \bar{\alpha}_s) ds dt \\
&+ \int_0^T \bar{\lambda}(t) \bar{\Lambda}(t) e^{-\delta t} \sum_{\gamma' \in E} v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \gamma') Q^{\rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \gamma, \gamma', \bar{\alpha}_t) dt \\
&+ \bar{\Lambda}(T) \int_0^T e^{-\delta t} l_{\gamma}^{\rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \bar{\alpha}_t) dt + \bar{\Lambda}(T) e^{-\delta T} v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(T; x, \bar{\alpha}), \gamma) \\
&= I_1 + I_2 + I_3 + I_4.
\end{aligned}$$

The conclusion follows using the Lemmae 23 and 24. These estimates are tailor-made to allow substituting  $\bar{\lambda}$ ,  $\bar{\Lambda}$ ,  $l_{\gamma}^{\rho_{\varepsilon}}$  and  $y_{\gamma}^{\rho_{\varepsilon}}$  with  $\lambda$ ,  $\Lambda$ ,  $l_{\gamma}$  and  $y_{\gamma}$  and the error is some (generic)  $\omega(\varepsilon) \xrightarrow{\varepsilon \rightarrow 0} 0$  (the reader may also want to take a glance at the proof of Theorem 15 in [11]). In the following, this function  $\omega$  may change from one line to another. Let us recall (see Remark 12) that  $v^{\delta, \varepsilon, \rho_{\varepsilon}}$  have the same continuity modulus (denoted  $\omega^{\delta}$  and independent of  $\varepsilon$ ). Then,  $v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \gamma')$  can be replaced by  $v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}(t; x, \bar{\alpha}), \gamma')$  with an error  $\omega^{\delta}(|y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}) - y_{\gamma}(t; x, \bar{\alpha})|)$ , hence, again some  $\omega(\varepsilon)$ . The only interesting terms in  $I$  are  $I_2$  and  $I_4$ . For the term  $I_2$ , one writes

$$\begin{aligned}
I_2 &\geq \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} \sum_{\gamma' \in E} v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \gamma') Q^{\rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha}), \gamma, \gamma', \bar{\alpha}_t) dt + \omega(\varepsilon) \\
&\geq \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} \sum_{\gamma' \in E} v^{\delta, \varepsilon, \rho_{\varepsilon}}(y_{\gamma}(t; x, \alpha), \gamma') Q(y_{\gamma}(t; x, \alpha), \gamma, \gamma', \alpha_t) dt + \omega(\varepsilon) \\
&\geq \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} \sum_{\gamma' \in E} v^{\delta}(y_{\gamma}(t; x, \alpha), \gamma') Q(y_{\gamma}(t; x, \alpha), \gamma, \gamma', \alpha_t) dt \\
(14) \quad &- \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} dt \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} |v^{\delta, \varepsilon, \rho_{\varepsilon}}(z, \gamma') - v^{\delta}(z, \gamma')| + \omega(\varepsilon)
\end{aligned}$$

Similar,

$$(15) \quad I_4 \geq \Lambda(T) e^{-\delta T} v^{\delta}(y_{\gamma}(T; x, \alpha)) - \Lambda(T) e^{-\delta T} \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} |v^{\delta, \varepsilon, \rho_{\varepsilon}}(z, \gamma') - v^{\delta}(z, \gamma')| + \omega(\varepsilon).$$

Hence, using (14, 15), one gets

$$\begin{aligned}
I &\geq \int_0^T \lambda(t) \Lambda(t) \int_0^t e^{-\delta s} l_{\gamma}(y_{\gamma}(s; x, \alpha), \alpha_s) ds dt \\
&+ \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} \sum_{\gamma' \in E} v^{\delta}(y_{\gamma}(t; x, \alpha), \gamma') Q(y_{\gamma}(t; x, \alpha), \gamma, \gamma', \alpha_t) dt \\
&+ \Lambda(T) \int_0^T e^{-\delta t} l_{\gamma}(y_{\gamma}(t; x, \alpha), \alpha_t) dt + \Lambda(T) e^{-\delta T} v^{\delta}(y_{\gamma}(T; x, \alpha), \gamma) \\
&- \left[ \int_0^T \lambda(t) \Lambda(t) e^{-\delta t} dt + \Lambda(T) e^{-\delta T} \right] \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} |v^{\delta, \varepsilon, \rho_{\varepsilon}}(z, \gamma') - v^{\delta}(z, \gamma')| + \omega(\varepsilon).
\end{aligned}$$

Then, using the dynamic programming principle for  $v^{\delta}$  and (13), one gets

$$\begin{aligned}
v^{\delta, \varepsilon, \rho_{\varepsilon}}(x, \gamma) &\geq v^{\delta}(x, \gamma) - \left[ 1 - \delta \int_0^T \Lambda(t) e^{-\delta t} dt \right] \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} |v^{\delta, \varepsilon, \rho_{\varepsilon}}(z, \gamma') - v^{\delta}(z, \gamma')| + \omega(\varepsilon) \\
&\geq v^{\delta}(x, \gamma) - \left[ 1 - \delta \int_0^T e^{-(\delta + |\lambda|_0)t} dt \right] \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} |v^{\delta, \varepsilon, \rho_{\varepsilon}}(z, \gamma') - v^{\delta}(z, \gamma')| + \omega(\varepsilon)
\end{aligned}$$

Thus,

$$(0 \leq) v^\delta(x, \gamma) - v^{\delta, \varepsilon, \rho_\varepsilon}(x, \gamma) \leq \left[ 1 - \delta \int_0^T e^{-(\delta + |\lambda|_0)t} dt \right] \sup_{\gamma' \in E, z \in \bar{\mathcal{G}}} \left| v^{\delta, \varepsilon, \rho_\varepsilon}(z, \gamma') - v^\delta(z, \gamma') \right| + \omega(\varepsilon).$$

The conclusion follows by taking the supremum over  $x \in \bar{\mathcal{G}}$  and  $\gamma \in E$  and allowing  $\varepsilon \rightarrow 0$ . ■

**Remark 26** We recall (cf. Remark 12) that  $v^{\delta, \varepsilon, \rho_\varepsilon}$  have the same continuity modulus (independent of  $\varepsilon$ ). Moreover,  $v^{\delta, \varepsilon, \rho_\varepsilon}(\cdot) \leq \frac{|\lambda|_0}{\delta}$ . Therefore, applying Arzela-Ascoli Theorem, there exists  $\lim_{\varepsilon \rightarrow 0} (v^{\delta, \varepsilon, \rho_\varepsilon} |_{\bar{\mathcal{G}}})$  and this limit is uniformly continuous. It would have sufficed, therefore, to prove that  $\lim_{\varepsilon \rightarrow 0} v^{\delta, \varepsilon, \rho_\varepsilon}(x; \gamma) = v^\delta(x, \gamma)$  for all  $x \in \bigcup_{i=1, N} (0, 1) e_i$ .

## 6.6 Linearizing the problem

We assume the (pseudo-)controllability conditions **(Aa, Ab, Ad)**, the compatibility at the intersection **(Ab', Ac')**, the regularity of the coefficients and cost functions **(A1-A4)**, the compatibility condition **(B)** and the projection compatibility condition **(C)** to hold true.

### 6.6.1 Smooth subsolutions

We wish to emphasize that one can interpret the system in the extended case (see also [3]) in connection to

$$\delta v(x, \gamma) + \sup_{(a, b) \in \bar{A}^{\gamma, j}} \left\{ \begin{aligned} & - \langle f_\gamma(x + \rho_\varepsilon b, a), Dv(x, \gamma) \rangle - l_\gamma(x + \rho_\varepsilon b, a) \\ & - \lambda(x + \rho_\varepsilon b, \gamma, a) \sum_{\gamma' \in E} Q(x + \rho_\varepsilon b, \gamma, \gamma', a) (v(x, \gamma') - v(x, \gamma)) \end{aligned} \right\} \leq 0,$$

$x \in (-\varepsilon, 1 + \varepsilon) e_j, j = 1, M, \text{ or } x \in (-1 - \varepsilon, 1 + \varepsilon) e_j, \text{ if } M < j \leq N.$

For every  $\varepsilon > 0$  and every  $0 < \epsilon \leq \rho_\varepsilon$ , one can define regular functions  $v_{\varepsilon, \epsilon}^{\delta, j}$  by setting

$$v_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma) = \int_{-\varepsilon}^{\varepsilon} v^{\delta, \varepsilon, \rho_\varepsilon}(x - ye_j, \gamma) \psi_\epsilon(y) dy,$$

for all  $x \in (-\varepsilon, 1 + \varepsilon) e_j, j = 1, M, \text{ or } x \in (-1 - \varepsilon, 1 + \varepsilon) e_j, \text{ if } M < j \leq N$ . Here,  $(\psi_\epsilon)_\epsilon$  is a sequence of standard mollifiers  $\psi_\epsilon(y) = \frac{1}{\epsilon} \psi(\frac{y}{\epsilon}), y \in \mathbb{R}, \epsilon > 0$ , where  $\psi \in C^\infty(\mathbb{R})$  is a positive function such that

$$\text{Supp}(\psi) \subset [-1, 1] \text{ and } \int_{\mathbb{R}} \psi(y) dy = 1.$$

Using the same methods as those employed in [13], Appendix (see also [11], Appendix A2 or [15] or [4], Lemma 2.7), it is easy to prove that

$$(16) \quad \delta v_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma) + \left\{ \begin{aligned} & - \langle f_\gamma(x, a), Dv_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma) \rangle - l_\gamma(x, a) \\ & - \lambda(x, \gamma, a) \sum_{\gamma' \in E} Q(x, \gamma, \gamma', a) (v_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma') - v_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma)) \end{aligned} \right\} \leq 0,$$

for all  $x \in [0, 1] e_j, j \leq N$  and all  $a \in A^{\gamma, j}$ . Also, we note that

$$\left| v_{\varepsilon, \epsilon}^{\delta, j}(x, \gamma) - v^\delta(x, \gamma) \right| \leq \left| v^{\delta, \varepsilon, \rho_\varepsilon} - v^\delta \right|_0 + \omega^\delta(\epsilon) =: \omega(\varepsilon, \epsilon),$$

for all  $x, \gamma \in \bar{\mathcal{G}} \times E$ , where  $\omega^\delta$  is the continuity modulus of  $v^\delta$  (with respect to the space component). Theorem 25 yields

$$\lim_{\varepsilon, \epsilon \rightarrow 0} \omega(\varepsilon, \epsilon) = 0.$$

We define an admissible test function by setting

$$v_\varepsilon^\delta(x, \gamma) = v_{\varepsilon, \rho_\varepsilon}^{\delta, j}(x, \gamma) - v_{\varepsilon, \rho_\varepsilon}^{\delta, j}(O, \gamma) + \min_{j'=1, N} v_{\varepsilon, \rho_\varepsilon}^{\delta, j'}(O, \gamma) - 4 \frac{|\lambda|_0}{\delta} \omega(\varepsilon, \rho_\varepsilon),$$

for  $x \in [0, 1]e_j$ ,  $1 \leq j \leq N$  and  $\gamma \in E$ . Then  $v_\varepsilon^\delta$  is a regular test function (continuous at  $O$ ) which satisfies

$$(17) \quad \begin{cases} \left( \begin{array}{c} \delta v_\varepsilon^\delta(x, \gamma) - \langle f_\gamma(x, a), Dv_\varepsilon^\delta(x, \gamma) \rangle - l_\gamma(x, a) \\ -\lambda(x, \gamma, a) \sum_{\gamma' \in E} Q(x, \gamma, \gamma', a) (v_\varepsilon^\delta(x, \gamma') - v_\varepsilon^\delta(x, \gamma)) \end{array} \right) \leq 0, \text{ and} \\ \lim_{\varepsilon \rightarrow 0} |v_\varepsilon^\delta - v^\delta|_0 = 0, \end{cases}$$

for all  $(x, \gamma, a)$  such that  $x \in [0, 1]e_j$ ,  $\gamma \in E$ ,  $a \in A^{\gamma, j}$ ,  $j \leq N$ . These functions are Lipschitz continuous on  $\overline{\mathcal{G}}$ . (In fact, the reader can check rather easily that the Lipschitz constant of  $v_\varepsilon^\delta$  does

not exceed  $\sqrt{2} \frac{\max_{1 \leq j \leq N} |D(v_\varepsilon^\delta|_{[-1, 1]e_j})|_0}{\sqrt{1 - \max_{i', j' \in \{1, \dots, M + \frac{N-M}{2}\}, i' \neq j'} \cos(e_{i'}, e_{j'})}}$ ). Hence, (using Kirszbraun's Theorem,) one can

find an extension (explicitly given by

$$\tilde{v}_\varepsilon^\delta(x, \gamma) := \inf_{y \in \overline{\mathcal{G}}} \left( v_\varepsilon^\delta(y, \gamma) + \text{Lip}(v_\varepsilon^\delta) |x - y| \right)$$

which is Lipschitz continuous on  $\mathbb{R}^2$ . As a by-product, this function (identified with  $v_\varepsilon^\delta(\cdot, \gamma)$  whenever no confusion is at risk) is absolutely continuous on  $\mathbb{R}^2$  ( $AC(\mathbb{R}^2)$ ).

### 6.6.2 Occupation measures and embedding

To every admissible control  $\alpha \in \mathcal{A}_{ad}^{\mathbb{N}}$  and  $\gamma \in E, x \in \overline{\mathcal{G}}$ , we can associate a probability measure  $\mu^{x, \gamma, \alpha} \in \mathcal{P}(\mathbb{R}^2 \times E \times A)$  by setting

$$\mu^{x, \gamma, \alpha}(A \times B \times C) = \delta \mathbb{E} \left[ \int_0^\infty e^{-\delta t} 1_{A \times B \times C}(X_t^{x, \gamma, \alpha}, \Gamma_t^{x, \gamma, \alpha}, \alpha_t) dt \right],$$

for all Borel sets  $A \times B \times C \subset \mathbb{R}^2 \times E \times A$ . As before, if  $(\tau_i)_{i \geq 0}$  denote the switch times, then  $\alpha_t = \alpha_{i+1}(X_{\tau_i}^{x, \gamma, \alpha}, \Gamma_{\tau_i}^{x, \gamma, \alpha}, t - \tau_i)$  on  $t \in [\tau_i, \tau_{i+1})$ . Obviously, the choice of admissible controls (under constraints) yields

$$\text{Supp}(\mu^{x, \gamma, \alpha}) \subset \widehat{\overline{\mathcal{G}} \times E \times A} := \left\{ (y, \gamma', a) \in \overline{\mathcal{G}} \times E \times A : a \in A^{\gamma', j} \text{ whenever } y \in \overline{J_j} \right\}.$$

We note that the set  $\widehat{\overline{\mathcal{G}} \times E \times A}$  is compact.

We denote by  $BAC(\mathbb{R}^2 \times E; \mathbb{R})$  the set of all bounded functions  $\varphi : \mathbb{R}^2 \times E \rightarrow \mathbb{R}$  such that  $\varphi(\cdot, \gamma') \in AC(\mathbb{R}^2)$  for all  $\gamma' \in E$ . Then, Itô's formula (see Theorem 31.3 in [8]) yields

$$(18) \quad \begin{aligned} & \delta e^{-\delta T} \mathbb{E} [\varphi(X_T^{x, \gamma, \alpha}, \Gamma_T^{x, \gamma, \alpha})] \\ &= \delta \varphi(x, \gamma) + \mathbb{E} \int_0^T \delta e^{-\delta s} [-\delta \varphi(X_t^{x, \gamma, \alpha}, \Gamma_t^{x, \gamma, \alpha}) + \mathcal{U}^{\alpha_t} \varphi(X_t^{x, \gamma, \alpha}, \Gamma_t^{x, \gamma, \alpha})] dt. \end{aligned}$$

Here,

$$\mathcal{U}^a \varphi(y, \gamma') = \langle f_\gamma(y, a), D\varphi(y, \gamma') \rangle + \lambda(y, \gamma', a) \sum_{\gamma'' \in E} Q(y, \gamma', \gamma'', a) (\varphi(\gamma'', x) - \varphi(y, \gamma')),$$

for regular  $\varphi(\cdot, \gamma) \in C_b^1(\mathbb{R}^2)$  is the classical generator of the PDMP. We recall that the extended domain of  $\mathcal{U}^a$  includes functions such that  $\varphi(\cdot, \gamma') \in AC(\mathbb{R}^2)$  (cf. Theorem 31.3 in [8]). Hence, passing to the limit as  $T \rightarrow \infty$  in (18) (and recalling that  $\varphi$  is bounded), one gets

$$\int_{\mathbb{R}^2 \times E \times A} [\mathcal{U}^a \varphi(y, \gamma') - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)]] \mu^{x, \gamma, \alpha}(dy d\gamma' da) = 0.$$

We set

$$(19) \quad \begin{aligned} \Theta_{\overline{\mathcal{G}}}^0(x, \gamma) &:= \{\mu^{x, \gamma, \alpha} : \alpha \in \mathcal{A}_{ad}^{\mathbb{N}}\} \text{ and} \\ \Theta_{\overline{\mathcal{G}}}(x, \gamma) &:= \left\{ \begin{array}{l} \mu^{x, \gamma, \alpha} \in \mathcal{P}(\widehat{\overline{\mathcal{G}} \times E \times A}) : \forall \varphi \in BAC(\mathbb{R}^2 \times E; \mathbb{R}) \\ \int_{\mathbb{R}^2 \times E \times A} [-\mathcal{U}^a \varphi(y, \gamma') + \delta [\varphi(y, \gamma') - \varphi(x, \gamma)]] \mu(dy d\gamma' da) = 0. \end{array} \right\} \end{aligned}$$

We are now able to state (and prove) the main linearization result.

**Theorem 27** *The following equalities hold true*

$$\begin{aligned} \delta v^\delta(x, \gamma) &= \Lambda^\delta(x, \gamma) := \inf_{\mu \in \Theta_{\overline{\mathcal{G}}}(x, \gamma)} \int_{\mathbb{R}^2 \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da) \\ &= \Lambda^{\delta, *}(x, \gamma) := \sup \left\{ \begin{array}{l} \eta \in \mathbb{R} : \exists \varphi \in BAC(\mathbb{R}^2 \times E; \mathbb{R}), \text{ for all } (y, \gamma', a) \in \widehat{\overline{\mathcal{G}} \times E \times A}, \\ \eta \leq \mathcal{U}^a \varphi(y, \gamma') + l_{\gamma'}(y, a) - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)]. \end{array} \right\}, \end{aligned}$$

for all  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ .

**Proof.** Let us fix  $(x, \gamma) \in \overline{\mathcal{G}} \times E$ . It is clear that

$$\delta v^\delta(x, \gamma) \geq \inf_{\mu \in \Theta_{\overline{\mathcal{G}}}(x, \gamma)} \int_{\mathbb{R}^2 \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da)$$

since  $\Theta_{\overline{\mathcal{G}}}^0(x, \gamma) \subset \Theta_{\overline{\mathcal{G}}}(x, \gamma)$ . Next, if  $\eta \leq \mathcal{U}^a \varphi(y, \gamma') + l_{\gamma'}(y, a) - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)]$ , for all  $(y, \gamma', a) \in \widehat{\overline{\mathcal{G}} \times E \times A}$ , then, due to the definition of  $\Theta_{\overline{\mathcal{G}}}(x, \gamma)$ , if  $\mu \in \Theta_{\overline{\mathcal{G}}}(x, \gamma)$ , by integrating the inequality w.r.t.  $\mu$ , it follows that

$$\int_{\mathbb{R}^2 \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da) \geq \eta.$$

Hence,  $\Lambda^\delta(x, \gamma) \geq \Lambda^{\delta, *}(x, \gamma)$ . To complete the proof, one needs to prove  $\Lambda^{\delta, *}(x, \gamma) \geq \delta v^\delta(x, \gamma)$ . We use  $v_\varepsilon^\delta$  given in subsection 6.6.1 to infer

$$\delta v_\varepsilon^\delta(x, \gamma) \leq \mathcal{U}^a v_\varepsilon^\delta(y, \gamma') + l_{\gamma'}(y, a) - \delta [v_\varepsilon^\delta(y, \gamma') - v_\varepsilon^\delta(x, \gamma)],$$

for all  $(y, \gamma', a) \in \widehat{\overline{\mathcal{G}} \times E \times A}$ . Hence,  $\delta v_\varepsilon^\delta(x, \gamma) \leq \Lambda^{\delta, *}(x, \gamma)$ . The proof is completed by taking the limit as  $\varepsilon \rightarrow 0$  and recalling that (17) holds true. ■

**Remark 28** *The previous result can be interpreted in connection to Perron's method. Indeed, if  $\varphi$  is a regular subsolution of (10) for  $\rho = 0$ ,  $\varepsilon = 0$  on  $\overline{\mathcal{G}}$  (i.e. such that*

$$\mathcal{U}^a \varphi(y, \gamma') + l_{\gamma'}(y, a) - \delta \varphi(y, \gamma') \geq 0,$$

*for all  $(y, \gamma', a) \in \widehat{\overline{\mathcal{G}} \times E \times A}$ , then  $\delta \varphi(x, \gamma) \leq \Lambda^{\delta, *}(x, \gamma) = \delta v^\delta(x, \gamma)$ . Since we have exhibited a family  $((v_\varepsilon^\delta(x, \gamma))_{\varepsilon > 0})$  converging to  $v^\delta(x, \gamma)$ , it follows that  $v^\delta$  is the pointwise supremum over such regular subsolutions, hence giving Perron's solution to the Hamilton-Jacobi integrodifferential system.*

## 7 Penalizing the set of constraints (Revisiting the classics)

### 7.1 Preliminaries and assumptions

The previous arguments need, in a crucial way, the controllability conditions **(Aa, Ab, Ad)**, the compatibility at the intersection **(Ab', Ac')**, the compatibility condition **(B)** and the projection compatibility condition **(C)** to hold true. However, the same conclusion can be reached via an alternative (classical) penalization method.

The control processes (without state constraints) are picked in the class  $\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A)$ .

Throughout the remaining of the paper, we only require the regularity of the coefficients and cost functions **(A1-A3)** assumptions to hold true. We deal with the general switch process on  $\mathbb{R}^m \times E$  (in particular  $m = 2$ ). We relax the assumptions on  $l_\gamma$  and require

**(A4-)** The cost functions  $l_\gamma : \mathbb{R}^m \times A \rightarrow \mathbb{R}$  are lower semicontinuous w.r.t.  $x \in \mathbb{R}^m$ , uniformly continuous w.r.t  $a \in A$  (uniformly in  $x \in \mathbb{R}^m$ ) and bounded.

Without loss of generality, we assume

$$l_\gamma \geq 0.$$

We let  $K$  denote some closed subset of the state space  $\mathbb{R}^m$  (e.g.  $K = \bar{\mathcal{G}}$  in the traffic model). The assertions of this section are valid for more general PDMP than the switch process, provided one gets convenient estimates on the trajectories or adapts the compactness arguments of [13], Section 3.4.

The inward pointing qualification conditions given by the assumptions **(Aa-Ab)** are closely connected with viability theory. To relax these assumptions, we require

**(Ax)** The set  $K \times E$  is near-viable (or  $\varepsilon$ -viable) w.r.t. the controlled PDMP (i.e. for every  $(x, \gamma) \in K \times E$  and every  $\varepsilon > 0$  there exists an admissible control process  $\alpha \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}}$  such that

$$(20) \quad \mathbb{E} \left[ \int_0^\infty e^{-\delta t} (d_K(X_t^{x, \gamma, \alpha}) \wedge 1) dt \right] \leq \varepsilon.$$

Here,  $d_K$  stands for the distance function to the closed set  $K$ .

**Remark 29** (i) In general, near-viability does not imply viability. Hence, the condition (20) is weaker than **(Aa-Ab)** (take a glance to Proposition 3). However, under standard convexity condition, if **(Ax)** is satisfied, then one can find, for every initial datum  $(x, \gamma) \in K \times E$  an optimal control  $u^*$  for which

$$\mathbb{E} \left[ \int_0^\infty e^{-\delta t} (d_K(X_t^{x, \gamma, u^*}) \wedge 1) dt \right] = 0.$$

In this case, the set  $K \times E$  is said to be viable. This implies that  $\mathcal{A}_{\gamma, x}$  be nonempty for all  $(x, \gamma) \in K \times E$ .

(ii) Explicit geometric conditions involving the first order normal cone and equivalent to (20) are available (cf. [11], Theorem 2.6).

### 7.2 Another road to the (same) value function

In the switch case, for every  $\gamma \in E, x \in \mathbb{R}^m, \alpha \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}}$ , one has

$$|X_t^{x, \gamma, \alpha}| \leq |x| + |f|_0 t, \quad \mathbb{P}\text{-a.s. for all } t \geq 0.$$

We recall that if  $\alpha \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}}$  and  $\gamma \in E, x \in \mathbb{R}^m$ , one defines the occupation measure  $\mu^{x, \gamma, \alpha} \in \mathcal{P}(\mathbb{R}^m \times E \times A)$  by setting

$$\mu^{x, \gamma, \alpha}(A \times B \times C) = \delta \mathbb{E} \left[ \int_0^\infty e^{-\delta t} 1_{A \times B \times C}(X_t^{x, \gamma, \alpha}, \Gamma_t^{x, \gamma, \alpha}, \alpha_t) dt \right],$$



for all Borel sets  $A \times B \times C \subset \mathbb{R}^m \times E \times A$  (of course,  $E$  is endowed with the discrete topology). Then,

$$\int_{\mathbb{R}^m \times E \times A} |y|^2 \mu^{x,\gamma,\alpha} (dy d\gamma da) \leq \delta \int_0^\infty (|x| + |f|_0 t)^2 e^{-\delta t} \leq c (|x|^2 + 1),$$

where  $c$  does not depend on  $\alpha$ . Hence, applying Prohorov's Theorem (cf. [5]), the set

$$\Theta_{\mathbb{R}^m \times E \times A}^0(x, \gamma) := \left\{ \mu^{x,\gamma,\alpha} : \alpha \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}} \right\}$$

is relatively compact. As before, we let

$$\Theta_{\mathbb{R}^m \times E \times A}(x, \gamma) := \left\{ \mu \in \mathcal{P}(\mathbb{R}^m \times E \times A) : \forall \varphi \in BAC(\mathbb{R}^m \times E \times A; \mathbb{R}) \int_{\mathbb{R}^m \times E \times A} [-\mathcal{U}^a \varphi(y, \gamma') + \delta [\varphi(y, \gamma') - \varphi(x, \gamma)]] \mu(dy d\gamma' da) = 0. \right\}$$

It is clear that  $\Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$  is closed and convex. Moreover it contains  $\Theta_{\mathbb{R}^m \times E \times A}^0(x, \gamma)$ .

For every  $n \geq 1$ , we define the (inf-convoluted and penalized) function  $l_{\gamma,n} : \mathbb{R}^m \times A \longrightarrow \mathbb{R}$  by setting

$$l_{\gamma,n}(y, a) = \inf_{z \in \mathbb{R}^m} [l_\gamma(z, a) + n|z - y|] + n(d_K(y) \wedge 1), \text{ for all } y \in \mathbb{R}^m, n \geq 1.$$

This provides an increasing sequence of bounded, Lipschitz continuous functions growing to  $l_\gamma(y, a)$  when  $y \in K$  and to  $\infty$  otherwise. We introduce the value functions

$$w^{\delta,n}(x, \gamma) := \inf_{\alpha \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}}} \mathbb{E} \left[ \sum_{k \geq 0} \int_{\tau_k}^{\tau_{k+1}} e^{-\delta t} l_{\Gamma_{\tau_k}^{x,\gamma,\alpha}, n} \left( y_{\Gamma_{\tau_k}^{x,\gamma,\alpha}}(t; X_{\tau_k}^{x,\gamma,\alpha}, \alpha_{k+1}), \alpha_{k+1}(t) \right) dt \right],$$

for all  $(x, \gamma) \in \mathbb{R}^m \times E$ , where  $\alpha_{k+1}(t) := \alpha_{k+1}(X_{\tau_k}^{x,\gamma,\alpha}, \Gamma_{\tau_k}^{x,\gamma,\alpha}, t - \Gamma_{\tau_k}^{x,\gamma,\alpha})$ . We recall the following result (cf. [13], Theorem 7).

**Theorem 30** *For every initial data  $(x, \gamma) \in \mathbb{R}^m \times E$ ,*

$$\begin{aligned} \delta w^{\delta,n}(x, \gamma) &= \Lambda_{\mathbb{R}^m}^{\delta,n}(x, \gamma) := \inf_{\mu \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)} \int_{\mathbb{R}^m \times E \times A} l_{\gamma',n}(y, a) \mu(dy d\gamma' da) \\ &= \Lambda_{\mathbb{R}^m}^{\delta,n,*}(x, \gamma) := \sup \left\{ \eta \in \mathbb{R} : \exists \varphi \in BAC(\mathbb{R}^m \times E; \mathbb{R}), \forall (y, \gamma', a) \in \mathbb{R}^m \times E \times A, \right. \\ &\quad \left. \eta \leq \mathcal{U}^a \varphi(y, \gamma') + l_{\gamma',n}(y, a) - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)] \right\}. \end{aligned}$$

In fact, the result of [13] states the previous equality for  $C_b^1$  functions  $\varphi$  but the proof is identical (and follows the same ingredients we have developed in this paper, without state constraints). Alternatively, one may want to invoke a density argument of  $C_b^1$ . Moreover, since  $\Theta_{\mathbb{R}^m \times E \times A}^0(x, \gamma)$  is relatively compact,  $\Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$  is compact (as its closed convex hull, see [13], Corollary 8).

Inspired by (19), we also introduce

$$\Theta_{K \times E \times A}(x, \gamma) := \{ \mu \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma) : \text{Supp}(\mu) \subset K \times E \times A \}.$$

**Proposition 31** *Under the assumption **(Ax)** (and without any controllability assumptions), the set  $\Theta_{K \times E \times A}(x, \gamma)$  is non-empty.*

**Proof.** The assumption **(Ax)** yields, for  $\varepsilon > 0$ , the existence of some  $\alpha^\varepsilon \in (\mathbb{L}^0(\mathbb{R}^m \times E \times \mathbb{R}_+; A))^{\mathbb{N}}$  such that

$$\mathbb{E} \left[ \int_0^\infty e^{-\delta t} (d_K(X_t^{x,\gamma,\alpha^\varepsilon}) \wedge 1) dt \right] \leq \varepsilon.$$

Hence, by considering the occupation measures,  $\mu^\varepsilon = \mu^{x, \gamma, \alpha^\varepsilon} \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$ , one has

$$\int_{\mathbb{R}^m \times E \times A} (d_K(y) \wedge 1) \mu^\varepsilon(dy d\gamma' da) \leq \varepsilon.$$

The compactness of  $\Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$  allows one to extract a subsequence (still denoted  $\mu^\varepsilon$ ) converging to some  $\mu \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$ . Then, it is obvious that  $\mu \in \Theta_{K \times E \times A}(x, \gamma)$ . ■

It is obvious that  $\Theta_{K \times E \times A}(x, \gamma)$  is a closed subset of a compact set (hence compact) and convex.

The main result of the section states that, under the assumption **(A $\mathbf{x}$ )**, for lower semicontinuous costs  $l_\gamma$ , the linear problem under constraints

$$\Lambda_K^\delta(x, \gamma) := \inf_{\mu \in \Theta_{K \times E \times A}(x, \gamma)} \int_{K \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da),$$

and the dual problem

$$\Lambda_K^{\delta, *}(x, \gamma) := \sup \left\{ \eta \in \mathbb{R} : \exists \varphi \in BAC(\mathbb{R}^m \times E; \mathbb{R}), \text{ for all } (y, \gamma', a) \in K \times E \times A, \right. \\ \left. \eta \leq \mathcal{U}^a \varphi(y, \gamma') + l_{\gamma'}(y, a) - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)] \right\}$$

coincide. Moreover, they can be obtained as limit of penalized problems  $\delta w^{\delta, n}$ .

**Theorem 32** *We assume the regularity of the coefficients **(A1-A3)**, the lower semicontinuity of the cost function **(A4-)** and the near viability of the constraints **(A $\mathbf{x}$ )**. Then, for all  $(x, \gamma) \in K \times E$ ,*

$$\lim_{n \rightarrow \infty} \delta w^{\delta, n}(x, \gamma) = \Lambda_K^\delta(x, \gamma) = \Lambda_K^{\delta, *}(x, \gamma).$$

**Proof.** Let us fix  $(x, \gamma) \in K \times E$ . Hence, due to Theorem 30,

$$(21) \quad \delta w^{\delta, n}(x, \gamma) = \Lambda_{\mathbb{R}^m}^{\delta, n}(x, \gamma) = \Lambda_{\mathbb{R}^m}^{\delta, n, *}(x, \gamma).$$

Moreover,  $\sup_n l_{\gamma, n}(y, a) = \begin{cases} l_\gamma(y, a), & \text{if } y \in K \\ \infty, & \text{otherwise} \end{cases}$ , which implies

$$(22) \quad \Lambda_{\mathbb{R}^m}^{\delta, n, *}(x, \gamma) \leq \Lambda_K^{\delta, *}(x, \gamma).$$

From the definition of  $\Theta_{K \times E \times A}(x, \gamma)$ , it is clear that

$$(23) \quad \Lambda_K^{\delta, *}(x, \gamma) \leq \Lambda_K^\delta(x, \gamma).$$

Indeed, let  $\eta \in \mathbb{R}$  and  $\varphi \in BAC(\mathbb{R}^m \times E; \mathbb{R})$  be such that for all  $(y, \gamma', a) \in K \times E \times A$ ,

$$\eta \leq \mathcal{U}^a \varphi(y, \gamma') + l_{\gamma'}(y, a) - \delta [\varphi(y, \gamma') - \varphi(x, \gamma)].$$

taking an arbitrary  $\mu \in \Theta_{K \times E \times A}(x, \gamma)$  and integrating w.r.t.  $\mu$ , one gets

$$\eta \leq \int_{\mathbb{R}^m \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da) = \int_{K \times E \times A} l_{\gamma'}(y, a) \mu(dy d\gamma' da)$$

and the inequality (23) follows by taking the infimum over  $\mu \in \Theta_{K \times E \times A}(x, \gamma)$  and supremum over  $\eta$ .

To complete the proof, we need to show that

$$(24) \quad \Lambda_K^\delta(x, \gamma) \leq \sup_n \delta w^{\delta, n}(x, \gamma).$$

We recall that  $\Theta_{K \times E \times A}(x, \gamma)$  is nonempty to get

$$(25) \quad \delta w^{\delta, n}(x, \gamma) \leq \delta \|l\|_0,$$

for all  $n \geq 1$ . By compactness of  $\Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$ , for every  $n \geq 1$ , there exists some optimal  $\mu^n \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$  such that

$$(26) \quad \begin{aligned} \delta w^{\delta, n}(x, \gamma) &= \Lambda_{\mathbb{R}^m}^{\delta, n}(x, \gamma) = \int_{\mathbb{R}^m \times E \times A} l_{\gamma', n}(y, a) \mu^n(dy d\gamma' da) \\ &\geq \int_{\mathbb{R}^m \times E \times A} n(d_K(y) \wedge 1) \mu^n(dy d\gamma' da). \end{aligned}$$

Also, there exists a subsequence, still denoted  $(\mu^n)_n$  converging to some  $\mu^* \in \Theta_{\mathbb{R}^m \times E \times A}(x, \gamma)$ . By (25) and (26), it follows that  $\mu^* \in \Theta_{K \times E \times A}(x, \gamma)$ . Let us fix, for the time being  $n \geq 1$ . Recalling that  $l_{\gamma', k} \geq l_{\gamma', n}$  whenever  $k \geq n \geq 1$ , one infers from (26),

$$\begin{aligned} \sup_{k \geq 1} \delta w^{\delta, k}(x, \gamma) &= \lim_{k \rightarrow \infty} \delta w^{\delta, k}(x, \gamma) \geq \lim_{k \rightarrow \infty} \int_{\mathbb{R}^m \times E \times A} l_{\gamma', n}(y, a) \mu^k(dy d\gamma' da) \\ &= \int_{K \times E \times A} l_{\gamma', n}(y, a) \mu^*(dy d\gamma' da). \end{aligned}$$

Thus, passing to the limit as  $n \rightarrow \infty$  and using a dominated convergence argument, we get (24). The conclusion follows from (21), (22), (23) and (26). ■

## 8 Appendix

### 8.1 Proof of Lemma 23.

For any  $y \in [O, (1 + \varepsilon)e_i]$  (with  $\gamma \in E_i^{active}$ ), we set

$$a_{\gamma, i}^{\text{opt}, +}(y) = \operatorname{argmax}_{a \in A_{\gamma, y}} \langle f_{\gamma}(y, a), e_i \rangle.$$

It is clear that

$$(27) \quad \begin{aligned} \left\langle f_{\gamma}(y', a) - f_{\gamma}(y, a_{\gamma, i}^{\text{opt}, +}(y)), e_i \right\rangle &\leq \sup_{a' \in A_{\gamma, e_i}} |f_{\gamma}(y', a') - f_{\gamma}(y, a')| \leq \operatorname{Lip}(f) |y' - y|, \\ \left\langle f_{\gamma}(y, a) - f_{\gamma}(y, a_{\gamma, i}^{\text{opt}, +}(y)), e_i \right\rangle &\leq 0, \end{aligned}$$

for all  $y, y' \in [O, (1 + \varepsilon)e_i]$ . We also let

$$d_{geo}(x, y) := \begin{cases} |x - y|, & \text{if } x, y \in [-1 - \varepsilon, 1 + \varepsilon] e_i, \\ |x| + |y|, & \text{if } x \in [-1 - \varepsilon, 1 + \varepsilon] e_i, y \in [-1 - \varepsilon, 1 + \varepsilon] e_j, i \neq j \end{cases}.$$

**Proof.** (of Lemma 23). We will prove only the estimates on the trajectory. The estimates on the partial cost follow from the construction  $\mathcal{P}_x(\alpha)$  which coincides with  $\alpha$  except at the end points (where **(C)** applies; see also the similar condition **(Ac)** and the proof of Lemma 6). The assertion (ii) follows similar patterns to Lemma 6.

We aim at constructing  $\tilde{\alpha} := \mathcal{P}_x(\alpha)$ . We let  $r_0 \leq \varepsilon$  (to be specified later on). We can assume, without loss of generality, that  $x \neq O$ . (Should this not be the case, see Case 3). Then  $\alpha$  is locally admissible. We set

$$\tau_0 := \inf \{t \geq 0 : d_{geo}(y_{\gamma}(t; x, \alpha), y_{\gamma}^{\rho_{\varepsilon}}(t; x, \bar{\alpha})) \geq r_0\}.$$

If  $\tau_0 \geq t_\varepsilon$ , the conclusion follows. Otherwise, the time where  $y_\gamma$  meets again our target  $y^{\rho_\varepsilon}$  will be referred to as “renewal time”. We give the construction of  $\tilde{\alpha}$  on  $[\tau_0, t_\varepsilon]$  prior to renewal time. We let  $\tau_O^\varepsilon$  be the exit time of the target from the branch,

$$\tau_O^\varepsilon = \inf \{t \geq \tau_0 : y_\gamma^{\rho_\varepsilon}(t; x, \bar{\alpha}) = O\}.$$

(Hence,  $\tau_O^\varepsilon > \tau_0$ ). Let us assume that  $\tilde{\alpha}$  has been constructed up to some time  $\tau_0 \leq t^* \leq \tau_O^\varepsilon$  before the renewal time such that

$$(R) \quad d_{geo}(y_\gamma^*, y_\gamma^{\rho_\varepsilon, *}) \leq \omega_\varepsilon(t^*, r_0),$$

where we used the notation  $y_\gamma^* = y_\gamma(t^*; x, \tilde{\alpha})$  and  $y_\gamma^{\rho_\varepsilon, *} = y_\gamma^{\rho_\varepsilon}(t^*; x, \bar{\alpha})$ . Even if this is not crucial for the rest of the proof, remark that renewal cannot occur before  $\tau_0 + \frac{r_0}{2|f|_0}$ , so that this iterative procedure will be applied only a finite number of times.

**Case 1:**  $y_\gamma$  and  $y_\gamma^{\rho_\varepsilon}$  are on the same branch (say  $[O, (1+\varepsilon)e_1]$ ; the case when  $y_\gamma$  and  $y^{\rho_\varepsilon}$  are on a "new" branch  $[O, -\varepsilon e_1]$  is similar), and  $y_\gamma$  lies between the junction  $O$  and  $y_\gamma^{\rho_\varepsilon}$  (i.e.  $0 \leq \langle y_\gamma^*, e_1 \rangle < \langle y_\gamma^{\rho_\varepsilon, *}, e_1 \rangle$ ). We let

$$t_{out} = \inf \{t \geq 0 : y_\gamma(t; y_\gamma^*, \alpha(t^* + \cdot)) = (1+\varepsilon)e_1\}, \quad t_{out}^{\rho_\varepsilon} = \inf \{t \geq 0 : y_\gamma^{\rho_\varepsilon}(t; y_\gamma^{\rho_\varepsilon, *}, \bar{\alpha}(t^* + \cdot)) = (1+\varepsilon)e_1\}, \\ t_0^{\rho_\varepsilon} = \inf \{t \geq 0 : y_\gamma^{\rho_\varepsilon}(t; y_\gamma^{\rho_\varepsilon, *}, \bar{\alpha}(t^* + \cdot)) = O\}, \quad t_0 = \inf \{t \geq 0 : y_\gamma(t; y_\gamma^*, \alpha(t^* + \cdot)) = O\}.$$

Let us introduce  $t_{act} = \min(t_{out}, t_{out}^{\rho_\varepsilon}, t_0, t_0^{\rho_\varepsilon})$ . Obviously, prior to the renewal time, only  $t_0$  is relevant (since  $t_{out}, t_0^{\rho_\varepsilon}$  cannot occur without renewal and if  $t_{out}^{\rho_\varepsilon} < t_0$ , then  $\alpha$  is still locally admissible for the follower  $y_\gamma$ ). We distinguish between the cases

(a1) If  $t_{act} > 0$ , we extend  $\tilde{\alpha}$  by setting  $\tilde{\alpha}(t) = \alpha(t)$ , if  $t^* < t \leq t^* + t_{act}$ . Gronwall's inequality yields

$$|y_\gamma(t; x, \tilde{\alpha}) - y_\gamma^{\rho_\varepsilon}(t; x, \bar{\alpha})| \leq \omega_\varepsilon(t - t^*; |y_\gamma^* - y_\gamma^{\rho_\varepsilon, *}|),$$

for all  $t^* < t \leq t^* + t_{act}$ .

(a2) If  $t_{act} = t_0 = 0$ , then we necessarily have that  $t_0^{\rho_\varepsilon} > 0$ . In this case  $y_\gamma^* = O$  and  $\langle y_\gamma^{\rho_\varepsilon}(t^*; x, \bar{\alpha}), e_1 \rangle > 0$ .

(a2.1) The active case (by far the most complicated)  $\gamma \in E_1^{active}$ . In order to simplify our notations, denote, in this case,  $a_{\gamma, O}^+ = a_{\gamma, 1}^{opt, +}(O)$ . We introduce

$$t_{control} = \inf \{t > 0 : y_\gamma(t; y_\gamma^*, a_{\gamma, O}^+) = r'_\varepsilon e_1\} \\ t_{collision} = \inf \{t > 0 : y_\gamma(t; y_\gamma^*, a_{\gamma, O}^+) = y_\gamma^{\rho_\varepsilon}(t^* + t; y_\gamma^{\rho_\varepsilon, *}, \bar{\alpha}(t^* + \cdot))\}$$

Note that because of the continuity of the trajectories and since  $r'_\varepsilon > 0$ , we have  $t_{control} > 0$  and  $t_{collision} > 0$ . We extend naturally  $\tilde{\alpha}$  by setting

$$\tilde{\alpha}(t + t^*) = a_{\gamma, O}^+, \text{ if } t \in (0, t_{collision} \wedge t_{control}].$$

With this extension, our assumptions guarantee that  $\langle y_\gamma(t + t^*; x, \tilde{\alpha}), e_1 \rangle \geq Lip(f)\beta > 0$  and the junction  $O$  is now a reflecting barrier for  $t \mapsto y_\gamma(t; y_\gamma^*, a_{\gamma, O}^+)$ . Note also that for any  $t \leq t_{collision} \wedge t_{control}$ , we have  $\langle y_\gamma^{\rho_\varepsilon}(t + t^*; x, \bar{\alpha}), e_1 \rangle > 0$ . For every  $0 < t \leq t_{collision} \wedge t_{control}$ , one uses

(27) to get

$$\begin{aligned}
& |y_{\gamma}^{\rho_{\varepsilon}}(t+t^*; x, \bar{\alpha}) - y_{\gamma}(t+t^*; x, \tilde{\alpha})| = \left\langle y_{\gamma}^{\rho_{\varepsilon}}(t; y_{\gamma}^{\rho_{\varepsilon},*}, \bar{\alpha}(t^* + \cdot)) - y_{\gamma}(t; y_{\gamma}^*, a_{\gamma,O}^+), e_1 \right\rangle \\
& = \langle (y_{\gamma}^{\rho_{\varepsilon},*} - y_{\gamma}^*), e_1 \rangle + \int_0^t \left\langle f_{\gamma}^{\rho_{\varepsilon}}(y_{\gamma}^{\rho_{\varepsilon}}(s; y_{\gamma}^{\rho_{\varepsilon},*}, \bar{\alpha}(t^* + \cdot)), \bar{\alpha}(t^* + \cdot)) - f_{\gamma}(y_{\gamma}(s; y_{\gamma}^*, a_{\gamma,O}^+), a_{\gamma,O}^+), e_1 \right\rangle ds \\
& \leq \langle (y_{\gamma}^{\rho_{\varepsilon},*} - y_{\gamma}^*), e_1 \rangle + \int_0^t \text{Lip}(f)(\rho_{\varepsilon} + |y_{\gamma}^{\rho_{\varepsilon}}(s+t^*; x, \bar{\alpha}) - y_{\gamma}(s+t^*; x, \tilde{\alpha})|) ds \\
& + \int_0^t \left[ \left\langle f_{\gamma}(y_{\gamma}(s; y_{\gamma}^*, a_{\gamma,O}^+), \alpha(t^* + \cdot)) - f_{\gamma}(O, a_{\gamma,O}^+), e_1 \right\rangle + \left\langle f_{\gamma}(O, a_{\gamma,O}^+) - f_{\gamma}(y_{\gamma}(s; y_{\gamma}^*, a_{\gamma,O}^+), a_{\gamma,O}^+), e_1 \right\rangle \right] ds \\
& \leq |y_{\gamma}^{\rho_{\varepsilon},*} - y_{\gamma}^*| + \text{Lip}(f) \left[ (\rho_{\varepsilon} + 2r'_{\varepsilon})t + \int_0^t |y_{\gamma}^{\rho_{\varepsilon}}(s+t^*; x, \bar{\alpha}) - y_{\gamma}(s+t^*; x, \tilde{\alpha})| ds \right].
\end{aligned}$$

Using Gronwall's inequality and our assumptions on  $r'_{\varepsilon}$ , we deduce that for any  $0 < t \leq t_{\text{control}} \wedge t_{\text{collision}}$ ,

$$|y_{\gamma}(t+t^*; x, \tilde{\alpha}) - y_{\gamma}^{\rho_{\varepsilon}}(t+t^*; x, \bar{\alpha})| \leq \omega_{\varepsilon}(t; |y_{\gamma}^{\rho_{\varepsilon},*} - y_{\gamma}^*|).$$

Thus, we have constructed an extension of  $t \mapsto \tilde{\alpha}(t)$  satisfying (R) during an increment of some strictly positive time  $t_{\text{control}} \wedge t_{\text{collision}}$ .

(a2.2) In the inactive case, it suffices to continue with the control  $\alpha$  (since, in this case,  $f_{\gamma}(O, a) = 0$ , for all  $a \in A^{\gamma,1}$ ) up till  $t_{\text{collision}}$  (or  $t_{\varepsilon}$ ).

**Case 2 :** We use the same notations as in the first case and aim at giving the control when  $\tilde{\alpha}$  has been constructed up to some time  $\tau_0 \leq t^* \leq \tau_O^{\varepsilon}$  such that renewal does not occur at  $t^*$  and both motions are at time  $t^*$  on the same active branch (say  $[O, (1+\varepsilon)e_1]$ ). Contrary to Case 1, in this case we are assuming that  $0 < \langle y_{\gamma}^{\rho_{\varepsilon},*}, e_1 \rangle < \langle y_{\gamma}^*, e_1 \rangle$ . We distinguish the following cases

(b1) If  $t_{\text{act}} > 0$ . In this case we proceed exactly as in case (a1) and get the same conclusion.

(b2) If  $t_{\text{act}} = t_{\text{out}} = 0$  then  $y_{\gamma}^* = (1+\varepsilon)e_1$  and we have  $t_{\text{out}}^{\rho_{\varepsilon}} > 0$ . This case is completely symmetric to case (a2.1) but with motions starting at  $t^*$  near  $(1+\varepsilon)e_1$ . The conclusion is similar.

(The case when  $y_{\gamma}^* = -\varepsilon e_1$  is similar to (a2.1) if  $\gamma \in E_1^{\text{active}}$  and to (a2.2) in the inactive case.)

**Case 3 :** control when  $y_{\gamma}^{\rho_{\varepsilon}}(t^*; x, \bar{\alpha}) \in [O, (1+\varepsilon)e_j]$  and  $y_{\gamma}(t^*; x, \alpha^*) \in [O, (1+\varepsilon)e_i]$  with  $i \neq j$ . In particular, the two points may be at the intersection or the target is at the intersection and the follower is not. We can assume, without loss of generality, that  $\gamma \in E_j^{\text{active}}$ . (Otherwise, recalling that we start at the same initial point, this situation can only happen if  $y_{\gamma}^{\rho_{\varepsilon},*} = O$  and no active branch exists. Then, whatever the control,  $y_{\gamma}$  can only get closer to  $O$ .) In this case, we introduce

$$\begin{aligned}
\hat{t}_O &= \inf\{t > 0 : y_{\gamma}(t; y_{\gamma}^*, a_{\gamma,i}^-) = O\} \\
\hat{t}_{\text{collision}} &= \inf\{t > 0 : y_{\gamma}(t; y_{\gamma}^*, a_{\gamma,i}^-) = y_{\gamma}^{\rho_{\varepsilon}}(t^* + t; x, \bar{\alpha})\}
\end{aligned}$$

and we extend  $t \mapsto \tilde{\alpha}(t)$  up to time  $t^* + \hat{t}_O \wedge \hat{t}_{\text{collision}}$  by setting

$$\tilde{\alpha}(t) = a_{\gamma,i}^-, \text{ for } t^* < t < t^* + \hat{t}_O \wedge \hat{t}_{\text{collision}}.$$

Since by assumption  $d_{\text{geo}}(y_{\gamma}^*, y_{\gamma}^{\rho_{\varepsilon},*}) \leq \omega_{\varepsilon}(t^*; r_0)$ , we have that

$$0 < \hat{t}_O \wedge \hat{t}_{\text{collision}} \leq \frac{(\omega_{\varepsilon}(t^*; r_0))^{1-\kappa}}{(1-\kappa)\beta}.$$

Hence, with such a construction we have that

$$d_{\text{geo}}(y_{\gamma}(t; y_{\gamma}^*, \tilde{\alpha}), y_{\gamma}^{\rho_{\varepsilon}}(t; y_{\gamma}^{\rho_{\varepsilon},*}, \bar{\alpha})) \leq \left( \frac{|f|_0}{(1-\kappa)\beta} + 1 \right) (\omega_{\varepsilon}(t^*; r_0))^{1-\kappa},$$

for all  $t < \hat{t}_O \wedge \hat{t}_{collision}$ . If  $\hat{t}_O = \hat{t}_O \wedge \hat{t}_{collision}$ , we arrive at  $y_\gamma(\hat{t}_O; y_\gamma^*, \tilde{\alpha}) = O$ . If every road is inactive, we continue to stay at  $O$ .

(c1) If  $y_\gamma^{\rho_\varepsilon}(\hat{t}_O; y_\gamma^{\rho_\varepsilon,*}, \bar{\alpha}) \neq O$  we are back to case 1 but with  $r_0$  now replaced by  $r'_0$  lower than  $\left(\frac{|f|_0}{(1-\kappa)^\beta} + 1\right)(\omega_\varepsilon(t^*; r_0))^{1-\kappa}$ : even if there has been a deterioration of the distance between  $y_\gamma$  and  $y_\gamma^{\rho_\varepsilon}$  (not exceeding  $\left(\frac{|f|_0}{(1-\kappa)^\beta} + 1\right)(\omega_\varepsilon(t^*; r_0))^{1-\kappa}$  because we are back to case 1, the situation of case 3 (and also the situation of (b2)) will never happen before some renewal time occurs. Consequently, in the situation of case 3 we are always allowed to take in  $(R)$  the same value for  $r_0$  (and we choose  $r_0 = r'_\varepsilon$ ).

(c2) Finally, we assume  $y_\gamma^{\rho_\varepsilon}(\hat{t}_O; y_\gamma^{\rho_\varepsilon,*}, \bar{\alpha}) = O$ . If every road is inactive, then  $y_\gamma$  stays at  $O$  and  $y_\gamma^{\rho_\varepsilon}$  cannot go further than  $\rho_\varepsilon$ . Otherwise, let us assume that some  $j'$  is active. Then, we take  $\tilde{\alpha}(t) = a_{\gamma,j'}^+$  for some very small (yet strictly positive) time  $t^* + \hat{t}_O < t \leq t^* + \hat{t}_O + \frac{r'_\varepsilon}{2|f|_0}$  and get

$$d_{geo}(y_\gamma^{\rho_\varepsilon}(t; x, \bar{\alpha}), y_\gamma(t; x, \tilde{\alpha})) \leq r'_\varepsilon,$$

which allows one to iterate.

**Conclusion** Gathering all these results together, the constructed strategy  $\tilde{\alpha}$  is such that

$$|y_\gamma(t; x, \tilde{\alpha}) - y_\gamma^{\rho_\varepsilon}(t; x, \bar{\alpha})| \leq \omega_\varepsilon(t_\varepsilon; \Phi(\varepsilon)).$$

for any  $t \leq t_\varepsilon$  and the lemma is proved. ■

## 8.2 Some hints on the proof of Lemma 24

The reader is invited to note that, if (C) holds true, then  $l(y, a) = l(\Pi_{\bar{\mathcal{G}}}(y), a)$ , for all  $y \in \bar{\mathcal{G}}^{+, \varepsilon}$ . Hence, the same kind of cost can be reached by :

- hurrying to  $O$  when the target is at  $O$ , then wait for collision by
- staying at  $O$  when the target enters a fictive road from the intersection if a control  $a$  such that  $f(O, a) = 0$  exists (for example, in the inactive case).
- or mimic staying at  $O$  by making very small trips (see case (c2) of the previous Lemma);
- at  $e_1$  :
  - if  $\langle f(e_1, a), e_1 \rangle \leq 0$ , for all  $a$ , we are done, since the target will never enter  $(1, 1 + \varepsilon]e_1$  (recall we start from  $\bar{\mathcal{G}}$ ).
  - otherwise, there exists  $\langle f(e_1, \tilde{a}), e_1 \rangle > \beta' > 0$  and, by our assumption, we also have  $\langle f(e_1, a_{\gamma,1}), e_1 \rangle < -\beta$ . Then, again, we mimic staying at  $e_1$  by making very small trips until collision.

The same kind of assertion are valid for  $\lambda$  and  $Q$  (notice the definition of these terms on "fictive" roads). The trajectories around  $O$  are close due to the  $\varepsilon$  distance from  $\bar{\mathcal{G}}^{+, \varepsilon}$  to  $\bar{\mathcal{G}}$  and as in the previous argument, coming around the intersection can only occur once before collision.

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