Quantum key distribution with entangled photon sources

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A parametric down-conversion (PDC) source can be used as either a triggered single-photon source or an entangled-photon source in quantum key distribution (QKD). The triggering PDC QKD has already been studied in the literature. On the other hand, a model and a post-processing protocol for the entanglement PDC QKD are still missing. We fill in this important gap by proposing such a model and a post-processing protocol for the entanglement PDC QKD. Although the PDC model is proposed to study the entanglement-based QKD, we emphasize that our generic model may also be useful for other non-QKD experiments involving a PDC source. Since an entangled PDC source is a basis-dependent source, we apply Koashi and Preskill’s security analysis to the entanglement PDC QKD. We also investigate the entanglement PDC QKD with two-way classical communications. We find that the recurrence scheme increases the key rate and the Gottesman-Lo protocol helps tolerate higher channel losses. By simulating a recent 144-km open-air PDC experiment, we compare three implementations: entanglement PDC QKD, triggering PDC QKD, and coherent-state QKD. The simulation result suggests that the entanglement PDC QKD can tolerate higher channel losses than the coherent-state QKD. The coherent-state QKD with decoy states is able to achieve highest key rate in the low- and medium-loss regions. By applying the Gottesman-Lo two-way post-processing protocol, the entanglement PDC QKD can tolerate up to 70 dB combined channel losses (35 dB for each channel) provided that the PDC source is placed in between Alice and Bob. After considering statistical fluctuations, the PDC setup can tolerate up to 53 dB channel losses.

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I. INTRODUCTION

There are mainly two types of quantum key distribution (QKD) schemes. One is the prepare-and-measure scheme such as the Bennett-Brassard (BB84) 1984 protocol [1], and the other is the entanglement-based QKD such as the Ekert 1991 (Ekert91) protocol [2] and Bennett-Brassard-Mermin 1992 (BBM92) [3] protocol. The security of both types of QKD has been proven in the last decade; see, for example, [4–6]. For a review of quantum cryptography, one may refer to [7]. Meanwhile, researchers have also proven the security of the QKD with realistic devices, such as [8–14].

In the original proposal of the BB84 protocol, a single-photon source is required. Unfortunately, single-photon sources are still not commercially available. Instead, a weak coherent-state source is widely used as an imperfect single-photon source. Throughout this paper, we call this implementation the coherent-state QKD. Many coherent-state QKD experiments have been performed since the first QKD experiment [15]; see, for example, [16–21].

The decoy-state method [22] has been proposed as a useful method for substantially improving the performance of the coherent-state QKD. The security of the QKD with decoy states has been proven [23–25]. Asymptotically, the coherent-state QKD with decoy states is able to operate as good as a QKD with perfect single-photon sources in the sense that the key generation rates given by both setups linearly depend on the channel transmittance [25]. Afterwards, some practical decoy-state protocols are proposed [26–29]. Experimental demonstrations of the decoy-state method have been done recently [30–35]. Other than the decoy-state method, there are other approaches to enhance the performance of the coherent-state QKD, such as a QKD with strong reference pulses [36,37] and differential-phase-shift QKD [38].

Besides the coherent source, there is another source that can be used for the QKD: parametric down-conversion (PDC) source. With a PDC source, one can realize either prepare-and-measure or entanglement-based QKD protocols [39]. To implement a prepare-and-measure QKD protocol, one can use a PDC source as a triggered single-photon source. To implement an entanglement-based QKD protocol, on the other hand, one can use the polarization entanglement between two modes of the light emitted from a PDC source. We call these two implementations triggering PDC QKD and entanglement PDC QKD. With an entangled source, one can also implement QKD protocols based on causality [40] and Bell’s inequality [41]. We notice that the PDC QKD based on time-energy entanglement has been exploited [42].

The model and post-processing of the triggering PDC QKD have already been studied [9]. Recently, there have been some practical decoy-state proposals for the triggering PDC QKD [43–45]. In this paper, we will focus on the asymptotic decoy-state protocol [25], which is the upper bound of all these practical decoy-state protocols when threshold detectors are used by Alice and Bob.

On the other hand, the model and post-processing for the entanglement PDC QKD are still missing. In this paper, we present a model for the entanglement PDC QKD. From the model, we find that an entangled PDC source is a basis-
independent source for the QKD. Based on this observation, we propose a post-processing scheme by applying Koashi and Preskill’s security analysis [13].

Recently, a free-space distribution of entangled photons over 144 km has been demonstrated [46]. We simulate this experiment setup and compare three QKD implementations: entanglement PDC QKD, triggering PDC QKD, and coherent-state QKD. In the simulation, we also apply the Gottesman-Lo two-way post-processing protocol [47] and a recurrence scheme [48]; see also [49].

The main contributions of this paper are the following:

(i) We present a model for the entanglement PDC QKD. Although the model is proposed to study the entanglement-based QKD, this generic model may also be useful for other non-QKD experiments involving a PDC source.

(ii) From the model, we find that an entangled PDC source is a basis-independent source for QKD. Based on this observation, we propose a post-processing scheme for the entanglement PDC QKD. Essentially, we apply Koashi and Preskill’s security analysis [13].

(iii) By simulating a PDC experiment [46], we compare three QKD implementations: entanglement PDC QKD, triggering PDC QKD, and coherent-state QKD. In the entanglement PDC QKD, we consider two cases: source in the middle and source on Alice’s side.

(iv) In the case that the PDC source is placed in between Alice and Bob, we find that the entanglement PDC QKD can tolerate the highest channel losses, up to 70 dB, by applying Gottesman-Lo two-way classical communication post-processing protocol [47]. We remark that a 35-dB channel loss is comparable to the estimated loss in a satellite-to-ground transmission in the literature [50–54].

(v) We consider statistical fluctuations for the entanglement PDC QKD. In this case, the PDC setup can tolerate up to 53 dB channel loss.

(vi) The coherent state QKD with decoy states is able to achieve highest key rate in the low- and medium-loss regions.

In Sec. II, we will review two experiment setups of the entanglement PDC QKD. In Sec. III, we will model the entanglement PDC QKD. In Sec. IV, we will propose a post-processing scheme for the entanglement PDC QKD. In Sec. V, we will compare the entanglement PDC QKD, the triggering PDC QKD, and the coherent-state QKD by simulating a real PDC experiment. We also apply protocols based on two-way classical communications and consider statistical fluctuations. In Appendix A, we calculate the quantum bit error rate in the entanglement PDC QKD. In Appendix B, we investigate the optimal $\mu$ for the entanglement PDC QKD.

\section*{II. IMPLEMENTATION}

In general, the PDC source does not necessarily belong to one of the two legitimate users of QKD, Alice or Bob. One can even assume that an eavesdropper, Eve, owns the PDC source. In this section we will compare two experimental setups of the entanglement PDC QKD due to the position of the PDC source, in between Alice and Bob or on Alice’s side.

Let us start with a general discussion about an entangled PDC source. With the rotating-wave approximation, the Hamiltonian of the PDC process can be written as [55]

\begin{equation}
H = i\chi(a_i^\dagger b_i^\dagger - a_i^\dagger b_i^\dagger) + \text{H.c.},
\end{equation}

where “H.c.” means Hermitian conjugate and $\chi$ is a coupling constant depending on the crystal nonlinearity and the amplitude of the pump beam. The operators $a_i$ and $b_i$ are the annihilation operators for rectilinear polarizations $i \in \{H, V\}$ in mode $a$ and mode $b$, respectively. Mode $a$ and mode $b$ are the modes sent to Alice and Bob, respectively.

In Sec. III, we will focus on modeling the measurement of the rectilinear polarization ($Z$) basis. Due to symmetry, all the calculations can be applied to the $X$ basis too.

\section*{A. Source in the middle}

First we consider the case that the PDC source sits in between Alice and Bob. The schematic diagram is shown in Fig. 1.

As shown in Fig. 1, a PDC source provides two entangled modes $a$ and $b$, which are sent to Alice and Bob, respectively. After receiving the signals, Alice and Bob randomly choose a basis ($X$ or $Z$) to perform a measurement. One key observation of this setup is that the state emitted from the PDC source is independent of the bases Alice and Bob choose for the measurements.

\section*{B. Source on Alice’s side}

Another case is that Alice owns the PDC source. The schematic diagram is shown in Fig. 2.

Comparing Figs. 1 and 2, we can see that the only difference is the position of the PDC source. As we will see in Sec. IV, the post-processings of these two setups are similar.

We remark that in the second setup, Alice’s measurement commutes with Bob’s measurement. Thus, we have the same observation as before: that the PDC source state is independent of the measurement bases.
Therefore, for both setups the entangled PDC source is a basis-independent source. It follows that the entanglement PDC QKD is a basis-independent QKD.

III. MODEL

In this section, we will model entangled PDC sources, channel, and detectors for the entanglement PDC QKD. We emphasize that this model is applicable for both experiment setups described in Sec. II.

A. Entangled PDC source

From Eq. (1), the state emitted from a type-II PDC source can be written as [55]

$$\lvert \Psi \rvert = (\cosh \chi)^{\frac{1}{2}} \sum_{n=0}^{\infty} \sqrt{n+1} \tanh^n \chi \lvert \Phi_n \rvert,$$  \hspace{0.7cm} (2)

where $\lvert \Phi_n \rvert$ is the state of an $n$-photon pair, given by

$$\lvert \Phi_n \rvert = \frac{1}{\sqrt{n+1}} \sum_{m=0}^{n} (-1)^m \lvert n-m,m \rangle \lvert m,n-m \rangle_b.$$  \hspace{0.7cm} (3)

For example, when $n=1$, Eq. (3) will give a Bell state

$$\lvert \Phi_1 \rvert = \frac{1}{\sqrt{2}} (\lvert 1,0 \rangle_a \lvert 0,1 \rangle_b - \lvert 0,1 \rangle_a \lvert 1,0 \rangle_b)$$

$$= \frac{1}{\sqrt{2}} (\lvert 0 \rangle_a \lvert b \rangle - \lvert 1 \rangle_a \lvert b \rangle, \lvert 0 \rangle_a \lvert b \rangle).$$  \hspace{0.7cm} (4)

Here we use the polarizations $\lvert 1,0 \rangle = \lvert \rangle \rangle$ and $\lvert 0,1 \rangle = \lvert \rangle \rangle$ as a qubit basis (Z basis) for QKD. From Eq. (2), the probability to get an $n$-photon pair is

$$P(n) = \frac{(n+1) \lambda^n}{(1 + \lambda)^{n+2}},$$  \hspace{0.7cm} (5)

where we define $\lambda = \sinh^2 \chi$. The expected photon pair number is $\mu = 2 \lambda$, which is the average number of photon pairs generated by one pump pulse, characterizing the brightness of a PDC source.

B. Detection

We assume that the detection probabilities of the photons in the state of Eq. (3) are independent. Define $\eta_1$ and $\eta_2$ to be the detection efficiencies for Alice and Bob, respectively. Both $\eta_1$ and $\eta_2$ take into account the channel losses, detector efficiencies, coupling efficiencies, and losses inside the detector box. For an $n$-photon pair, the overall transmittance is

$$\eta_n = [1 - (1 - \eta_1)^n][1 - (1 - \eta_2)^n].$$  \hspace{0.7cm} (6)

We remark that the channel loss is included in $\eta_1$ and $\eta_2$. Thus, this model can be applied to either of following two cases: (a) the PDC source is in between Alice and Bob or (b) the PDC source is on Alice (or Bob)’s side.

Yield. Define $Y_n$ to be the yield of an $n$-photon pair—i.e., the conditional probability of a coincidence detection event given that the PDC source emits an $n$-photon pair. $Y_n$ mainly comes from two parts: the background and the true signal. Assuming that the background counts are independent of the signal photon detection, then $Y_n$ is given by

$$Y_n = [1 - (1 - Y_{0A})(1 - \eta_1)^n][1 - (1 - Y_{0B})(1 - \eta_2)^n],$$  \hspace{0.7cm} (7)

where $Y_{0A}$ and $Y_{0B}$ are the background count rates on Alice’s and Bob’s sides, respectively. The vacuum-state contribution is $Y_0 = Y_{0A}Y_{0B}$. The gain of the $n$-photon pair $Q_n$, which is the product of Eqs. (5) and (7), is given by

$$Q_n = Y_n P(n) = [1 - (1 - Y_{0A})(1 - \eta_1)^n][1 - (1 - Y_{0B})(1 - \eta_2)^n] [n + 1] \lambda^n (1 + \lambda)^{n+2}.$$  \hspace{0.7cm} (8)

The overall gain is given by

$$Q_\lambda = \sum_{n=0}^{\infty} Q_n = 1 - \frac{1 - Y_{0A}}{(1 + \eta_1 \lambda)^2} - \frac{1 - Y_{0B}}{(1 + \eta_2 \lambda)^2}$$

$$+ \frac{(1 - Y_{0A})(1 - Y_{0B})}{(1 + \eta_1 \lambda + \eta_2 \lambda - \eta_1 \eta_2 \lambda)^2}.$$  \hspace{0.7cm} (9)

Here the overall gain $Q_\lambda$ is the probability of a coincident detection event given a pump pulse. Note that the parameter $\lambda$ is one-half of the expected photon pair number $\mu$.

The overall quantum bit error rate (QBER, $E_\lambda$) is given by

$$E_\lambda Q_\lambda = e_0 Q_\lambda - \frac{2(e_0 - e_1) \eta_1 \eta_2 \lambda (1 + \lambda)}{(1 + \eta_1 \lambda)(1 + \eta_2 \lambda)(1 + \eta_1 \lambda + \eta_2 \lambda - \eta_1 \eta_2 \lambda)},$$  \hspace{0.7cm} (10)

where $Q_\lambda$ is the gain given in Eq. (9). The calculation of the $E_\lambda$ is shown in Appendix A.

IV. POST-PROCESSING

As mentioned in Sec. II, the entanglement PDC QKD is a basis-independent QKD. Thus, we can apply Koashi and Preskill’s security proof [13]. The key generation rate is given by

$$R = q Q_\lambda [1 - f(\delta_0)H_2(\delta_0) - H_2(\delta_0)],$$

where $q$ is the basis reconciliation factor (1/2 for the BB84 protocol due to the fact that half of the time Alice and Bob disagree with the bases, and if one uses the efficient BB84 protocol [56], $q \approx 1$), the subscript $\lambda$ denotes one-half of the expected photon number $\mu$. $Q_\lambda$ is the overall gain, $\delta_0$ ($\delta_p$) is the bit (phase) error rate, $f(x)$ is the bidirection error correction efficiency (see, for example, [57]) as a function of error rate, normally $f(x) \approx 1$ with Shannon limit $f(x) = 1$, and $H_2(x)$ is the binary entropy function,

$$H_2(x) = -x \log_2(x) - (1 - x) \log_2(1 - x).$$

Due to the symmetry of X- and Z-basis measurements, as shown in Sec. II, $\delta_0$ and $\delta_p$ are given by

$$\delta_0 = \delta_p = E_\lambda,$$  \hspace{0.7cm} (12)

where $E_\lambda$ is the overall QBER. This equation is true for the asymptotic limit of an infinitely long key distribution. Later
We also notice that this post-processing scheme, Eqs. (11) and (12), can be directly measured from a QKD experiment and  can also be derived from a security analysis based on the uncertainty principle [60].

In Eq. (11), \( Q_\lambda \) can be directly measured from a QKD experiment and \( E_\lambda \) can be estimated by error testing. In the simulation shown in Sec. V, we will use Eqs. (9) and (10).

We remark that the post-processing for the entanglement PDC QKD is simpler than the coherent-state QKD and triggering PDC QKD. In the coherent PDC QKD, we use the squash model given in Sec. III, which are listed in Table I. For the coherent-state QKD, we use the model given in Sec. II B, the key rate formula of Eq. (11) has been proven to be valid for the QKD with threshold detectors without the squash model; see also [59].

We deduce experimental parameters from Ref. [46] due to the model given in Sec. III, which are listed in Table I. For the coherent-state QKD, we use \( \eta_A = 1 \) since Alice prepares the states in this case. In the following simulations, we will use \( q=1/2 \) and \( f(E_\lambda) = 1.22 \) [57].

The optimal expected photon number \( \mu \) for the coherent-state QKD has been discussed in Refs. [9,29]. In Appendix B, we investigate the optimal \( \mu (2\lambda) \) for the entanglement PDC QKD. Not surprisingly, we find that the optimal \( \mu \) for the entanglement PDC QKD is on the order of 1, \( \mu = 2\lambda = O(1) \). Thus, the key generation rate given in Eq. (11) depends linearly on the channel transmittance.

### V. SIMULATION

In this section, we will first compare three QKD implementations: entanglement PDC QKD, triggering PDC QKD, and coherent-state QKD. Then we will apply post-processing protocols with two-way classical communications to the entanglement PDC QKD. Finally, we will consider statistical fluctuations.

A. Comparison of three QKD implementations

In the first simulation, we assume that Alice is able to adjust the expected photon pair number \( \mu (2\lambda, \text{the brightness of the PDC source}) \) in the region of \([0,1]\). Thus, we can optimize \( \mu \) for the entanglement PDC QKD and the triggering PDC QKD. The simulation results are shown in Fig. 3.

From Fig. 3, we have the following remarks.

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**TABLE I. Experimental parameters deduced from the 144-km PDC experiment [46].** Here we assume that Alice and Bob use detectors with the same characteristics. \( e_d \) is the intrinsic detector error rate. \( Y_0 \) is the background count rate. \( \eta_{Alice} (\eta_{Bob}) \) is the detection efficiency in Alice’s (Bob’s) box, including detector efficiency and internal optical losses. The overall transmittance \( \eta_A (\eta_B) \) is the product of Alice’s (Bob’s) channel transmission efficiency and \( \eta_{Alice} (\eta_{Bob}) \).

| Repetition rate | Wavelength | \( \eta_{Alice} \) | \( \eta_{Bob} \) | \( e_d \) | \( Y_0 \) |
|-----------------|------------|-------------------|----------------|---------|----------|
| 249 MHz         | 710 nm     | 14.5%             | 14.5%          | 1.5%    | 6.02 \times 10^{-6} |

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**FIG. 3.** (Color online) Plot of the key generation rate in terms of the optical loss, comparing four cases: coherent-state QKD+asymptotic decoy, triggering PDC+asymptotic decoy, and entanglement PDC QKD (source in the middle and on Alice’s side). For the coherent state QKD+decoy, we use \( \eta_A = 1 \). We numerically optimize \( \mu (2\lambda) \) for each curve.
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(i) The entanglement PDC QKD can tolerate the highest channel losses in the case that the source is placed in the middle between Alice and Bob.

(ii) The coherent-state QKD with decoy states is able to achieve the highest key rate in the low- and medium-loss regions. This is because in the coherent-state QKD implementation, Alice does not need to detect any photons, which will effectively give $\eta_a=1$ in the PDC QKD implementation.

(iii) Comparing two cases of the entanglement PDC QKD—source in the middle and source on Alice’s side—they yield similar key rates in the low and medium regions. But the source in the middle case can tolerate higher channel losses.

In the following simulations, we will focus on the case that the entangled PDC source sits in the middle between Alice and Bob.

B. With two-way classical communications

We can also apply the idea of post-processing with two-way classical communications. Similar to the argument of Ref. [49], we combine the recurrence idea [48] and the $B$ steps in the Gottesman-Lo protocol [47]. The simulation results are shown in Fig. 4.

From Fig. 4, we can see that the recurrence scheme can increase the key rate by around 10% and extend the maximal tolerable loss by around 1 dB. The PDC experiment setup can tolerate up to 70 dB channel loss with 3 $B$ steps. We remark that 70 dB (35 dB in each channel) is comparable to the estimated loss in a satellite-to-ground transmission [53]. This result suggests that a satellite-ground QKD may be possible. However, this simulation assumes the ideal situation that an infinite number of signals are transmitted. Moreover, we assume that $\mu$ (the brightness of the PDC source) is a freely adjustable parameter in the PDC experiment. In a more realistic case where a finite number of signals are transmitted and $\mu$ is a fixed parameter, the tolerable channel loss becomes smaller, as we show next.

C. Statistical fluctuations

In Eq. (12), we assume that $\delta_b$ and $\delta_p$ are the same due to the symmetry between $X$ and $Z$ measurements. Alice and Bob randomly choose to measure in the $X$ or $Z$ basis. Then, asymptotically, $\delta_b$ is a good estimate of $\delta_p$. However, in a realistic QKD experiment, only a finite number of signals are transmitted. Thus $\delta_b$ may slightly different from $\delta_p$. We assume that Alice and Bob do not perform error testing explicitly. Instead, they obtain the bit error rate directly from an error correction protocol (e.g., the cascade protocol [57]). In that case, there is no fluctuation in the bit error rate $\delta_b=E_b$. On the other hand, the phase error rate may fluctuate to some certain value $\delta_p=\delta_b+\epsilon$. Following the fluctuation analysis of Ref. [6], we know that the probability to get a $\epsilon$ bias is

$$P_\epsilon \leq \exp \left( -\frac{\epsilon^2 n}{4\delta_b(1-\delta_b)} \right).$$

where $n=NQ_\lambda$, the number of detection events, the product of total number of pulses $N$, and the overall gain $Q_\lambda$.

In the 144-km PDC experiment [46], the repetition rate of pump pulse is 249 MHz, as given in Table I. As discussed in Ref. [53], the typical time of ground-satellite QKD allowed by satellite visibility is 40 min. Here, we assume the experiment runs 10 min, which means that the data size is $N=1.5 \times 10^{11}$. By taking this data size, we consider the fluctuations for the entanglement PDC QKD.

In the realistic case, the brightness of the PDC source $\mu$ cannot be set freely. In the 144-km PDC experiment [46], the expected photon pair number is $\mu=2\lambda=0.053$. After taking $\mu=0.053$ and a data size of $N=1.5 \times 10^{11}$ for the fluctuation analysis, the simulation result is shown in Fig. 5.

We have a couple remarks on Fig. 5.
(i) In Fig. 5, if we cut off from the key rate of $10^{-10}$, the entanglement PDC QKD with one $B$ step can tolerate up to 53 dB transmission loss.

(ii) We have tried simulations with various $\mu$'s. We find that the key rate is stable with moderate changes of $\mu$. With the above fluctuation analysis, if we numerically optimize $\mu$ for each curve, the maximal tolerable channel loss (with a cutoff key rate of $10^{-10}$) is only 1 dB larger than the one given by $\mu=0.053$. Thus, one cannot significantly improve the maximal tolerable channel loss by just using a better PDC source in the 144-km PDC experiment setup [46].

VI. CONCLUSION

We have proposed a model and post-processing for the entanglement PDC QKD. We find that the post-processing is simple by applying Koashi and Preskill’s security proof due to the fact that the entanglement PDC QKD is a basis-independent QKD. Specifically, only directly measured data (the overall gain and the overall QBER) are needed to perform the post-processing. By simulating a recent experiment, we compare three QKD schemes: coherent-state QKD + asymptotic decoy, triggering PDC + asymptotic decoy, and entanglement PDC QKD (source in the middle and on Alice’s side). We find that (a) the entanglement PDC (with source in the middle) can tolerate the highest channel loss; (b) the coherent-state QKD with decoy states can achieve the highest key rate in the medium- and low-loss regions; (c) asymptotically, with a realistic PDC experiment setup, the entanglement PDC QKD can tolerate up to 70 dB channel losses by applying post-processing schemes with two-way classical communications; (d) the PDC setup can tolerate up to 53 dB channel losses when statistical fluctuations are taken into account.

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APPENDIX A: QUANTUM BIT ERROR RATE

Here we will study the quantum bit error rate of the entanglement PDC QKD. Our objective is to derive the QBER formula given in Eq. (10) used in the simulation. The QBER has three main contributions: (i) background counts, which are random noises $e_0=1/2$; (ii) intrinsic detector error $e_d$, which is the probability that a photon will hit the erroneous detector and characterizes the alignment and stability of the optical system between Alice’s and Bob’s detection systems; (iii) errors introduced by multiphoton-pair states: (a) Alice and Bob may detect different photon pairs and (b) double clicks. Due to the strong pulsing attack [62], we assume that Alice and Bob will assign a random bit when they get a double click. In either case, the error rate will be $e_0=1/2$.

Let us start with the single-photon-pair case, a Bell state given in Eq. (4). The error rate of single-photon pair $e_1$ has two sources: background counts and intrinsic detector errors,

$$e_1 = e_0 - (e_0 - e_d) \eta_A \eta_B Y_1$$

(A1)

If we neglect the case that both background and true signal cause clicks, then $e_1$ can be written as

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1 Then the final key length is 15 bits. One should also consider the cost in the authentication procedure. Thus, this is a reasonable cutoff point.
where $e_i=1/2$ is the error rate of background counts. The first term of the numerator is the background contribution and the second term comes from the errors of true signals.

In the following, we will discuss the errors introduced by multitherm-pair states, $e_m$, with $n \geq 2$. Here we assume that Alice and Bob use threshold detectors, which can only tell whether the incoming state is a vacuum or nonvacuum. One can imagine the detection of an $n$-photon-pair state as follows.

(i) Alice and Bob project the $n$-photon-pair state, Eq. (3), into the $Z^{\otimes n}$ basis.

(ii) Afterwards, they detect each photon with certain probabilities ($\eta_a$ for Alice and $\eta_B$ for Bob).

(iii) If either Alice or Bob detects a vacuum, then we regard it as a loss. If Alice and Bob both detect a nonvacuum only in one polarization ($\leftrightarrow$ or $\uparrow\downarrow$), we regard it as a single-click event. Otherwise, we regard it as a double-click event.

The state of a two-photon-pair state, according to Eq. (3), can be written as

$$\Phi_2 = \frac{1}{\sqrt{3}} ((2,0)_a |0,2)_b + |1,1\rangle_a |1,1\rangle_b + |0,2\rangle_a |2,0\rangle_b$$

$$\otimes (|\uparrow\leftrightarrow\rangle \downarrow \downarrow \rangle + \frac{1}{2} (|\leftrightarrow\rangle + |\uparrow\downarrow\rangle) \downarrow \downarrow \rangle + |\downarrow\uparrow\rangle \downarrow \downarrow \rangle).$$

As discussed above, Alice and Bob project the state into the $Z^{\otimes 2}$ basis. If they end up with the first or third state in the brackets of Eq. (A3), they will get perfect anticorrelation, which will not contribute to errors. If they get the second state in the brackets of Eq. (A3), their results are totally independent, which will cause an error with probability $e_0 = 1/2$. Thus the error probability introduced by a two-photon-pair state is $1/6$. Here we have only considered the errors introduced by multitherm-pair states, item (iii) discussed in the beginning of this Appendix. We should also take into account the effects of background counts and intrinsic detector errors. With these modifications, the error rate of the two-photon-pair state is given by

$$e_2 = e_0 - \frac{2(e_0-e_d)[1-(1-\eta_a)^2][1-(1-\eta_b)^2]}{3Y_2},$$

where $Y_2$ is given in Eq. (7). Equation (A4) can be understood as follows. Only when Alice and Bob project the Eq. (A3) into $|\uparrow\leftrightarrow\rangle \downarrow \downarrow \rangle$ or $|\downarrow\uparrow\rangle \downarrow \downarrow \rangle$ and no background count occurs can they have a probability of $e_2$ to get the wrong answer. Given a coincident detection, the conditional probability for this case is $2[1-(1-\eta_a)^2][1-(1-\eta_b)^2]/3Y_2$. All other cases—a background count, a double click, and measuring different photon pairs—will contribute an error probability $e_0=1/2$.

Next, let us study the errors coming from the state $|n-m,n\rangle_a |m,n-m\rangle_b$. When Alice detects at least one of $n-m \leftarrow \downarrow \rangle$ photons but none of $m \leftarrow \uparrow \rangle$ photons and Bob detects at least one of $n-m \leftarrow \downarrow \rangle$ photons but none of $m \leftarrow \uparrow \rangle$ photons, or both Alice and Bob have bit flips of this case, they will end up with an error probability of $e_d$. Given a coincident detection, the conditional probability for these two cases is

$$\frac{1}{Y_n}[1-(1-\eta_a)^{n-m}][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m][1-(1-\eta_a)^m].$$

When Alice detects at least one of $n-m \leftarrow \uparrow \rangle$ polarizations but none of $m \leftarrow \downarrow \rangle$ polarizations and Bob detects at least one of $m \leftarrow \downarrow \rangle$ polarizations but none of $n-m \leftarrow \uparrow \rangle$ polarizations, or both Alice and Bob have bit flips of this case, they will end up with an error probability of $1-e_d$. Given a coincident detection, the conditional probability for these two cases is

$$\frac{1}{Y_n}[1-(1-\eta_a)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m][1-(1-\eta_a)^{n-m}].$$

For all other cases, the error probability is $e_0$. Thus the error probability for the state $|n-m,m\rangle_a |m,n-m\rangle_b$ is

$$e_{nm} = e_0 - \frac{e_0-e_d}{Y_n} [1-(1-\eta_a)^{n-m}][1-(1-\eta_B)^{n-m}][1-(1-\eta_a)^m][1-(1-\eta_B)^m]$$

$$\times [1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m][1-(1-\eta_a)^{n-m}][1-(1-\eta_a)^m]$$

$$\times [1-(1-\eta_B)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_a)^m]$$

$$\times [1-(1-\eta_a)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m].$$

In general, for an $n$-photon-pair state described by Eq. (3), the error rate is given by

$$e_n = \frac{1}{n+1} \sum_{m=0}^{n} e_{nm} = \frac{1}{n+1} \sum_{m=0}^{n} e_0 - \frac{e_0-e_d}{Y_n} [1-(1-\eta_a)^{n-m}][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m][1-(1-\eta_a)^m] - (1-\eta_B)^{n-m} - (1-\eta_B)^m]$$

$$\times [1-(1-\eta_B)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_a)^m]$$

$$\times [1-(1-\eta_a)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m].$$

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$$\times [1-(1-\eta_B)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_a)^m]$$

$$\times [1-(1-\eta_a)^m][1-(1-\eta_B)^{n-m}][1-(1-\eta_B)^m].$$

The overall QBER is given by
The key generation rate given in Eq. (S49) can be simplified Eq. (S49)

\[ Q = \frac{2(\epsilon_0 - \epsilon_d) \eta_B \lambda (1 + \lambda)}{(1 + \eta_B \lambda)(1 + \eta_B \lambda + \eta_B \lambda - \eta_B \eta_B)} \]

where \( Q \) is the gain given in Eq. (9).

**APPENDIX B: OPTIMAL \( \mu \)**

The optimal \( \mu \) for the coherent-state QKD has already been discussed [9,29]. Here we need to find out the optimal \( \mu \) for the entanglement PDC QKD. In the following calculation, we will focus on optimizing the parameter \( \lambda = \mu/2 \) for the key generation rate given in Eq. (11).

By assuming \( \eta_B \) to be small and neglecting \( Y_0 \), we can simplify Eq. (9):

\[ Q_\lambda = 2 \eta_B \lambda \left( 1 - \frac{1 - \eta_B}{1 + \eta_B} \right) \tag{B1} \]

The overall QBER given in Eq. (10) can be simplified to

\[ E_\lambda = \frac{1}{2} \left[ 1 - \frac{(1 - 2e_d)(1 + \lambda)(1 + \eta_B \lambda)}{2(1 + 3\lambda + 3\eta_B \lambda^2 + \eta_B^2 \lambda^2)} \right] \tag{B2} \]

In order to maximize the key generation rate, given by Eq. (11), the optimal \( \lambda \) satisfies

\[ \frac{\partial Q_\lambda}{\partial \lambda} \left[ 1 + f(E_\lambda) \right] H_2(E_\lambda) - Q_\lambda [1 + f(E_\lambda)] \frac{\partial E_\lambda}{\partial \lambda} \log_2 \frac{1 - E_\lambda}{E_\lambda} = 0. \tag{B3} \]

Here we treat \( f(E_\lambda) \) as a constant. In the following we will consider two extremes: \( \eta_A \approx 1 \) and \( \eta_A \ll 1 \).

When \( \eta_A \approx 1 \), the overall gain and QBER are given by

\[ Q_\lambda = 2 \eta_B \lambda, \quad E_\lambda = \frac{2e_d + \lambda}{2 + 2\lambda}. \tag{B4} \]

Thus, Eq. (B3) can be simplified to

\[ 1 - \frac{1 + f(E_\lambda) H_2(E_\lambda)}{\lambda [1 + f(E_\lambda)]} \frac{1 - 2e_d}{2(1 + \lambda)^2} \log_2 \frac{1 - E_\lambda}{E_\lambda} = 0. \tag{B5} \]

When \( \eta_A \ll 1 \),

\[ Q_\lambda = 2 \eta_A \eta_B \lambda (1 + 3\lambda), \quad E_\lambda = \frac{e_d + \lambda + e_d \lambda}{1 + 3\lambda}. \tag{B6} \]

Thus, Eq. (B3) can be simplified to

\[ (1 + 6\lambda) \left[ 1 - \frac{1 + f(E_\lambda) H_2(E_\lambda)}{\lambda [1 + f(E_\lambda)]} \right] \frac{1 - 2e_d}{1 + 3\lambda} \log_2 \frac{1 - E_\lambda}{E_\lambda} = 0. \tag{B7} \]

The solutions to Eqs. (B5) and (B7) are shown in Fig. 6.

From Fig. 6, we can see that the optimal \( \mu \approx 2\lambda \) for the entanglement PDC is in the order of \( 1, \mu = 2\lambda = O(1) \), which will lead to a final key generation rate of \( R=O(\eta_A \eta_B) \).
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