

Adaptive Transportation Systems

with a Holistic Representation of Supply and Demand

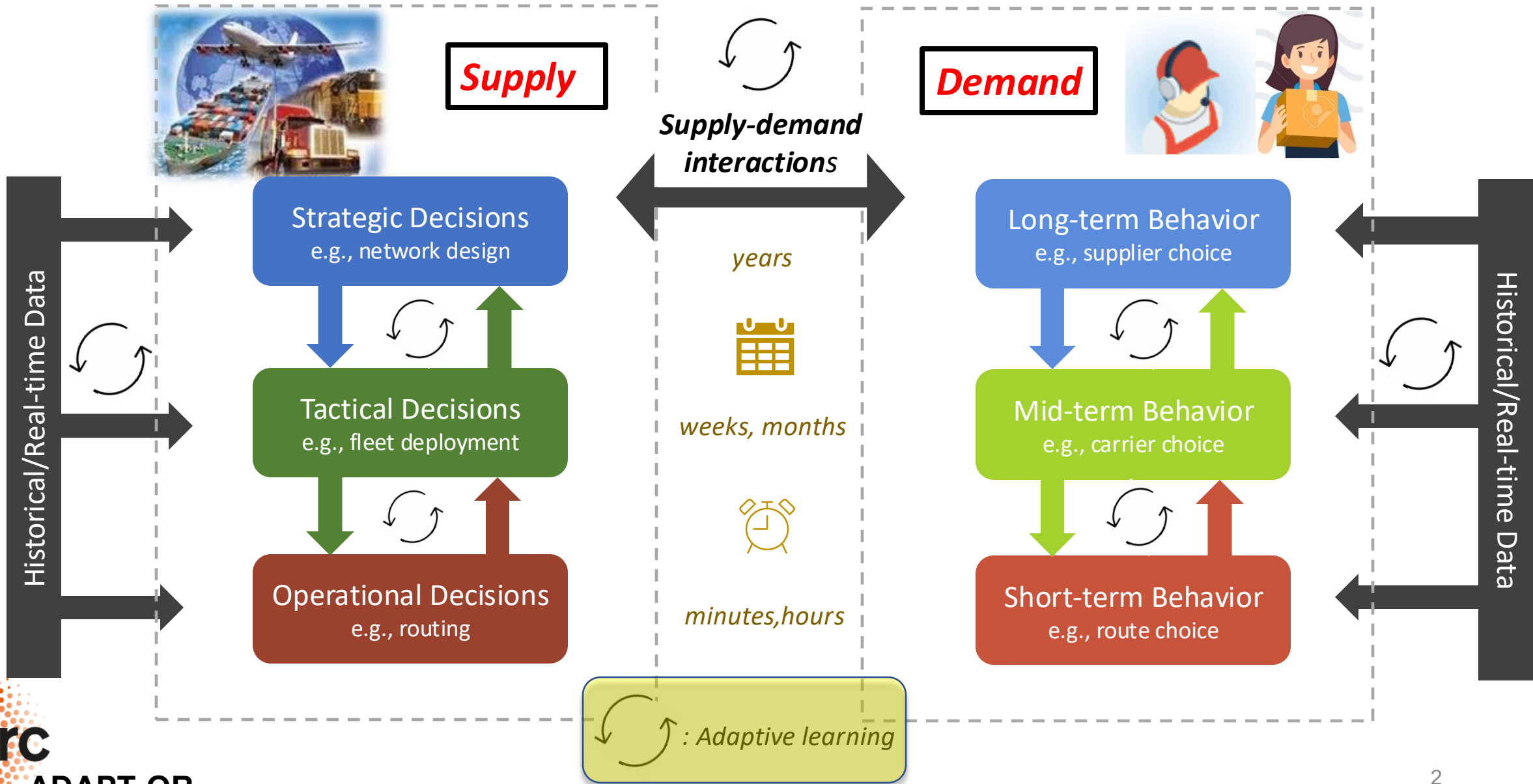
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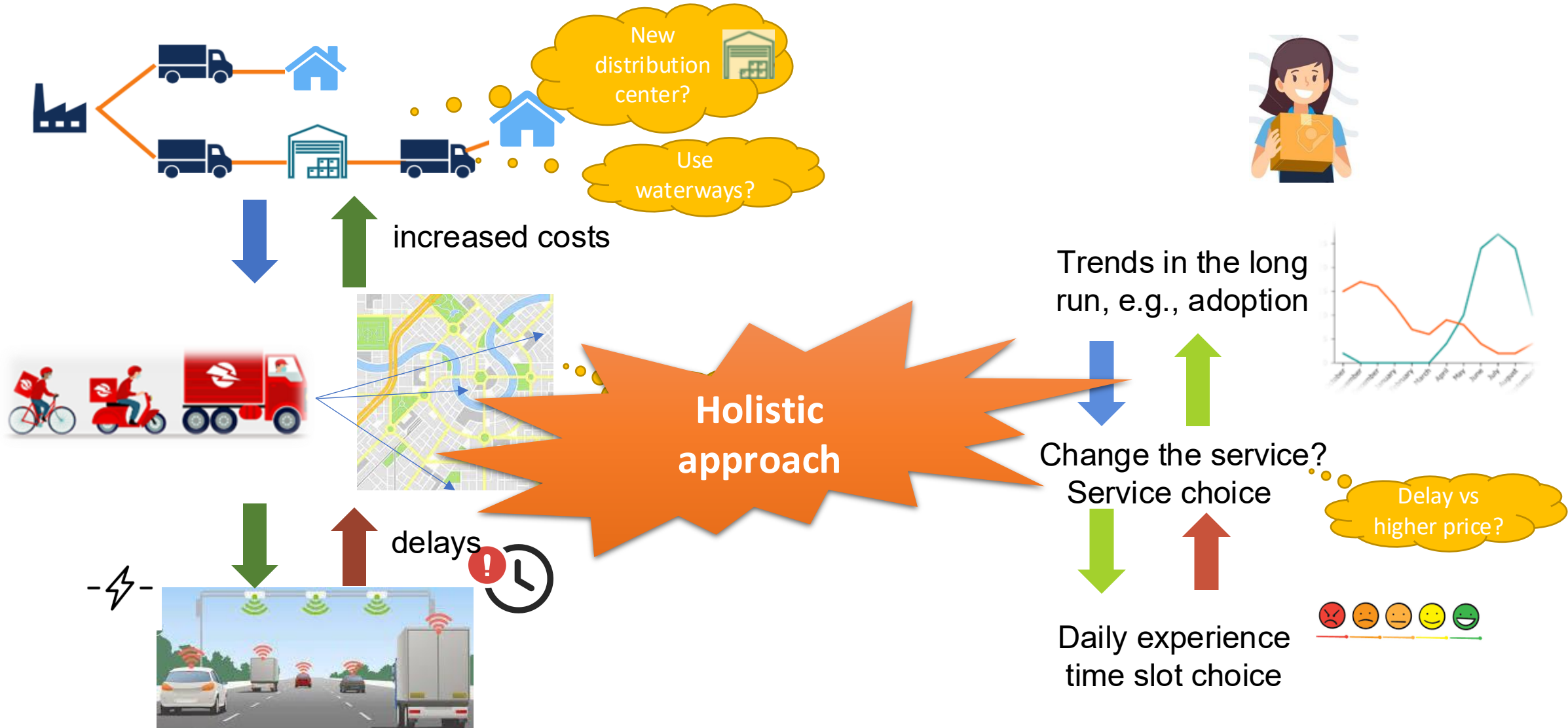


14 May 2025

Adaptive Transportation Systems

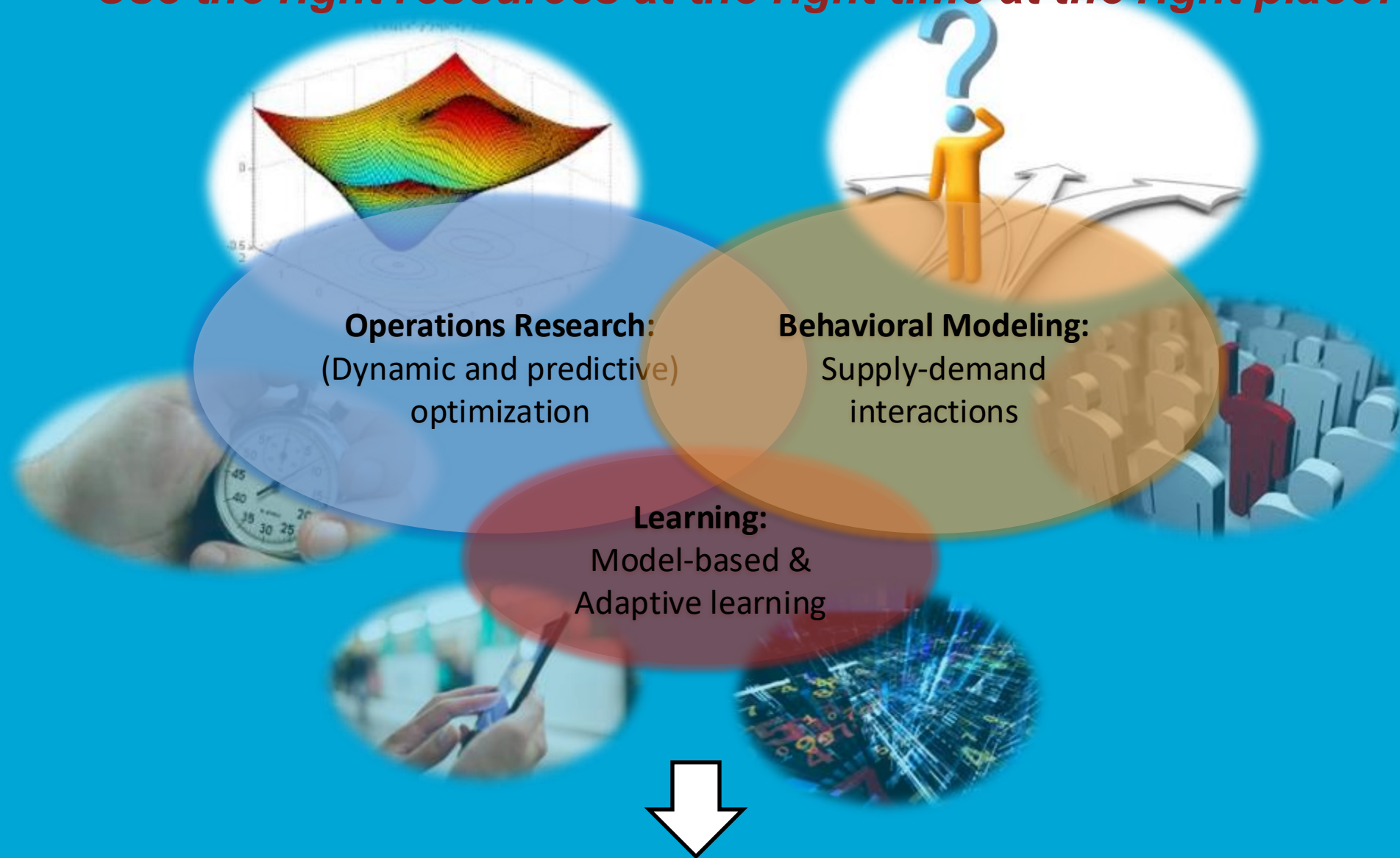


The idea behind



How to develop these capabilities?

Use the right resources at the right time at the right place!



Application Areas

Mobility



City Logistics



Inland waterways



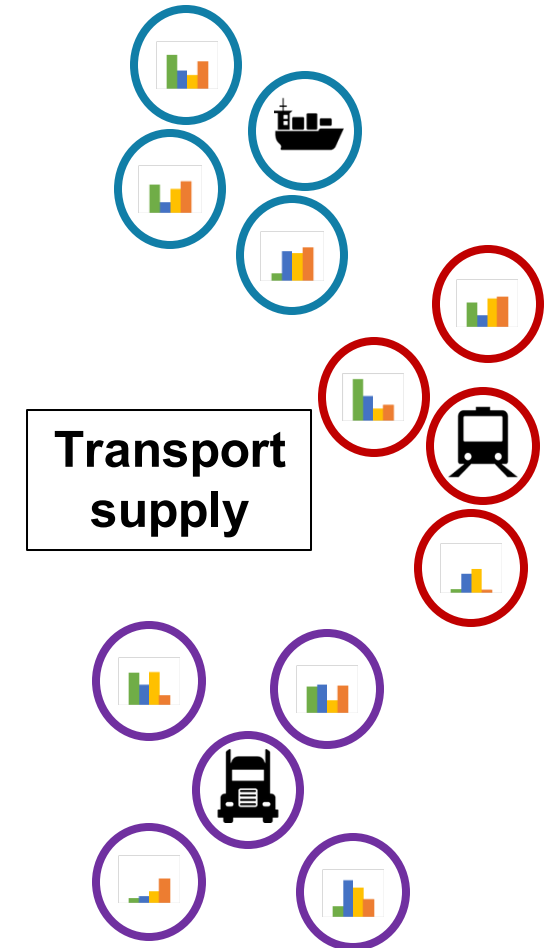
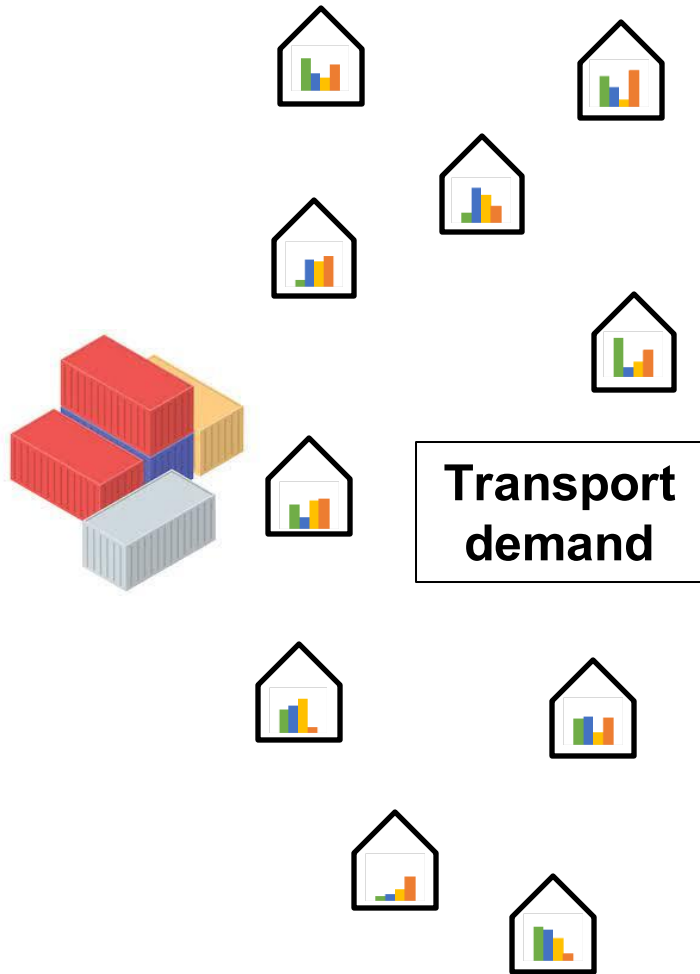
Last-mile delivery



Intermodal transport



Case for today: Intermodal transport / Synchromodal transport



Plan for today

- Choice-based service network design and pricing
 - Tactical level: service network design – mode choice
 - Optimization and behavioral modeling
- Model-assisted reinforcement learning for synchromodal transport
 - Operational level: routing, replanning (+ mode choice)
 - Optimization and learning (+ behavioral modeling)
- Inverse optimization and beyond...

Choice-Driven Service Network Design and Pricing (CD-SNDP)

PhD work of



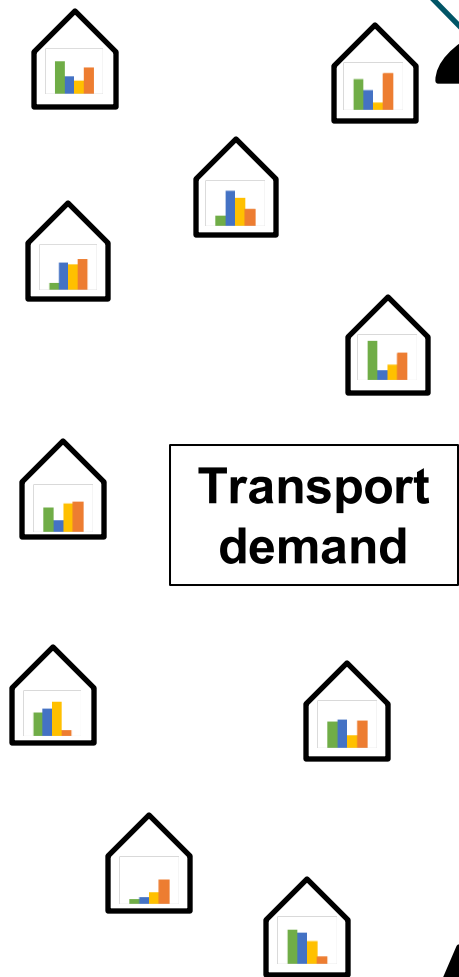
Adrien Nicolet



Intermodal transport

Mode/Carrier Choice
(Utility Maximization)

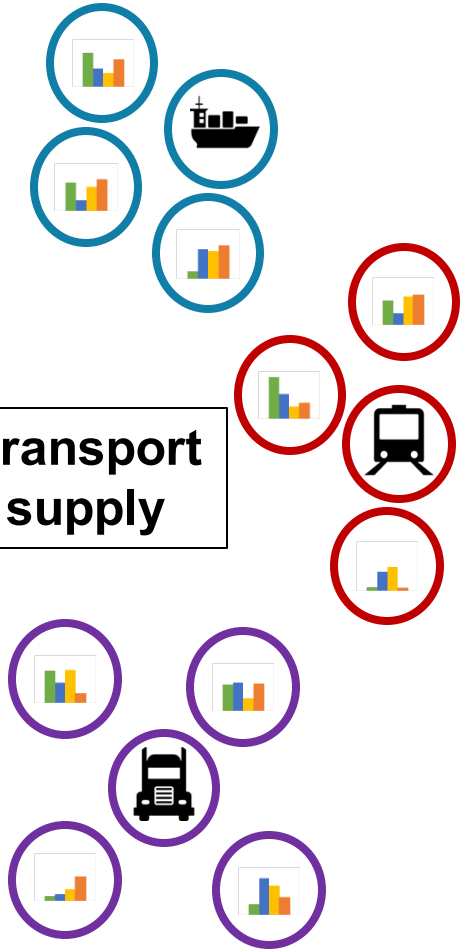
Profit, Market Share



Transport demand



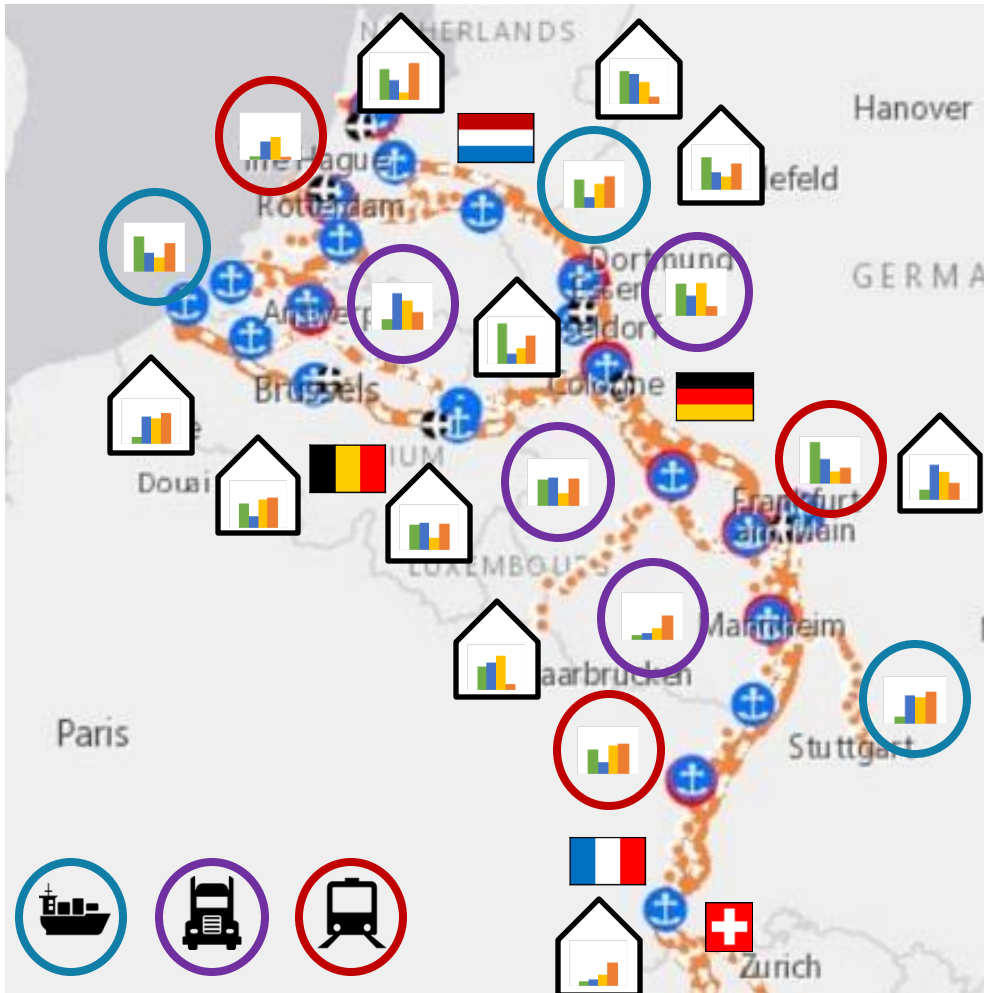
Transport supply



Price, Itinerary, Frequency

Service Network Design (& Pricing)

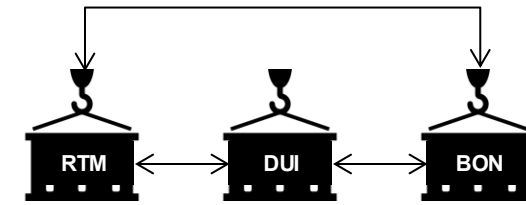
Challenge



- Very complex system
 - Many ports/terminals
 - Involves different countries
 - 3 different transport modes
 - Many operators with various objectives
 - Numerous shippers exhibiting different behavior
 - Relationships between these actors



Notation



Sets:

\mathcal{N}	Set of terminals (indices: i, j)
\mathcal{A}	Set of arcs (i, j)
\mathcal{K}	Set of vehicle types (index: k)
\mathcal{S}	Set of potential services (index: s)
\mathcal{L}_s	Set of legs of service $s \in \mathcal{S}$ (index: l_s)
\mathcal{H}	Set of competing alternatives (index: h)

Parameters:

V_k	Number of vehicles of type k in the operator's fleet
Q_k	Capacity of vehicle type k [TEUs]
W_{sk}	Maximum number of cycles of service s that can be performed by vehicle type k
c_{sk}^{FIX}	Fixed cost of operating service s with vehicle type k [€]
c_{ijsk}^{VAR}	Variable cost of transport between i and j with service s and vehicle type k [€/TEU]
δ_{ijl_s}	Dummy parameter equal to 1 if container traveling from i to j uses service leg l_s , 0 otherwise
D_{ij}	Aggregated transport demand of shippers between i and j [TEUs]
U_{ij}^O	Utility of using the operator's services between i and j
U_{ij}^h	Utility of using competing alternative h between i and j

Variables:

v_{sk}	Number of vehicles of type k assigned to service s by the operator
f_{sk}	Frequency of service s operated with vehicle type k
p_{ij}	Price charged by the operator to shippers wanting to transport goods from i to j [€/TEU]
x_{ijsk}	Cargo volume using service s operated with vehicle type k between i and j [TEUs]
z_{ij}^h	Cargo volume using competing alternative h between i and j [TEUs]



UL
LL

Potential Services



Formulation

$$\max_{v,f,p,x,z} \sum_{(i,j) \in \mathcal{A}} \sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} p_{ij} x_{ijsk} - \sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} c_{sk}^{\text{FIX}} f_{sk} - \sum_{(i,j) \in \mathcal{A}} \sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} c_{ijsk}^{\text{VAR}} x_{ijsk}$$

$$\text{s.t.} \quad \sum_{s \in \mathcal{S}} v_{sk} \leq V_k$$

$$\forall k \in \mathcal{K}$$

$$f_{sk} \leq W_{sk} v_{sk}$$

$$\forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

$$\sum_{(i,j) \in \mathcal{A}} \delta_{ijl_s} x_{ijsk} \leq Q_k f_{sk}$$

$$\forall l_s \in \mathcal{L}_s, \forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

$$x_{ijsk} \leq \sum_{l_s \in \mathcal{L}_s} \delta_{ijl_s} D_{ij}$$

$$\forall (i,j) \in \mathcal{A}, \forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

$$\begin{cases} p_{ij} \geq 0 \\ v_{sk} \in \mathbb{N} \\ f_{sk} \in \mathbb{N} \end{cases}$$

$$\forall (i,j) \in \mathcal{A}$$

$$\forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

$$\forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

where x and z solve:

$$\max_{x,z} \sum_{(i,j) \in \mathcal{A}} \left(\sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} U_{ij} x_{ijsk} + \sum_{h \in \mathcal{H}} U_{ij}^h z_{ij}^h \right)$$

$$\text{s.t.} \quad \sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} x_{ijsk} + \sum_{h \in \mathcal{H}} z_{ij}^h = D_{ij}$$

$$\forall (i,j) \in \mathcal{A}$$

$$\begin{cases} x_{ijsk} \geq 0 \\ z_{ij}^h \geq 0 \end{cases}$$

$$\forall (i,j) \in \mathcal{A}, \forall s \in \mathcal{S}, \forall k \in \mathcal{K}$$

$$\forall (i,j) \in \mathcal{A}, \forall h \in \mathcal{H}$$

UL profit maximization

Fleet size

Cycle time feasibility

Available capacity

OD included in service

LL utility maximization

Satisfied demand

Utility functions

$$U_{ijr}^O = \alpha^{\text{IWT}} + \beta_a^{\text{Inter}} a_{ij}^{\text{IWT}} + \beta_q^{\text{IWT}} q_{ij} + \beta_c^{\text{Inter},r} (p_{ij} + \text{VoT} t_{ij}^{\text{IWT}}) + \beta_f^{\text{Inter}} f_{ij} + \epsilon_{ijr}^O$$

$$U_{ijr}^{h=\text{IWT}} = \alpha^{\text{IWT}} + \beta_a^{\text{Inter}} a_{ij}^{\text{IWT}} + \beta_q^{\text{IWT}} q_{ij} + \beta_c^{\text{Inter},r} (p_{ij}^{\text{IWT}} + \text{VoT} t_{ij}^{\text{IWT}}) + \beta_f^{\text{Inter}} f_{ij}^{\text{IWT}} + \epsilon_{ijr}^{\text{IWT}}$$

$$U_{ijr}^{h=\text{Rail}} = \alpha^{\text{Rail}} + \beta_a^{\text{Inter}} a_{ij}^{\text{Rail}} + \beta_c^{\text{Inter},r} (p_{ij}^{\text{Rail}} + \text{VoT} t_{ij}^{\text{Rail}}) + \beta_f^{\text{Inter}} f_{ij}^{\text{Rail}} + \epsilon_{ijr}^{\text{Rail}}$$

$$U_{ijr}^{h=\text{Road}} = \alpha^{\text{Road}} + \beta_a^{\text{Road}} a_{ij}^{\text{Road}} + \beta_c^{\text{Road}} (p_{ij}^{\text{Road}} + \text{VoT} t_{ij}^{\text{Road}}) + \epsilon_{ijr}^{\text{Road}}$$

f_{ij} corresponds to the term $\sum_{s \in \mathcal{S}} \sum_{k \in \mathcal{K}} \phi_{ijs} f_{sk}$

Demand simulation

- Expected profits are computed using the knowledge on the utility function
- Idea: simulate demand response to the proposed services and prices using heterogenous population, using Mixed logit model ^[1].
 - For each OD pair, generate a population of 1000 shippers (i.e. perform 1000 draws of $\beta_{c,INTER}$ and ε)
 - Compute their utilities based on proposed services and prices
 - Allocate containers (divided equally among the shippers) to the alternative with maximum utility
 - At the end, compute the resulting modal shares and actual profits of the operator

Case study



9 nodes network:

- 24 M8 vessels of cap. 180 TEUs
- 18 M11 vessels of cap. 300 TEUs
- Operational time: 120h/week
- Transport demand inputs from NOVIMOVE project ^[1]
- Cost and time estimation from existing model ^[2]

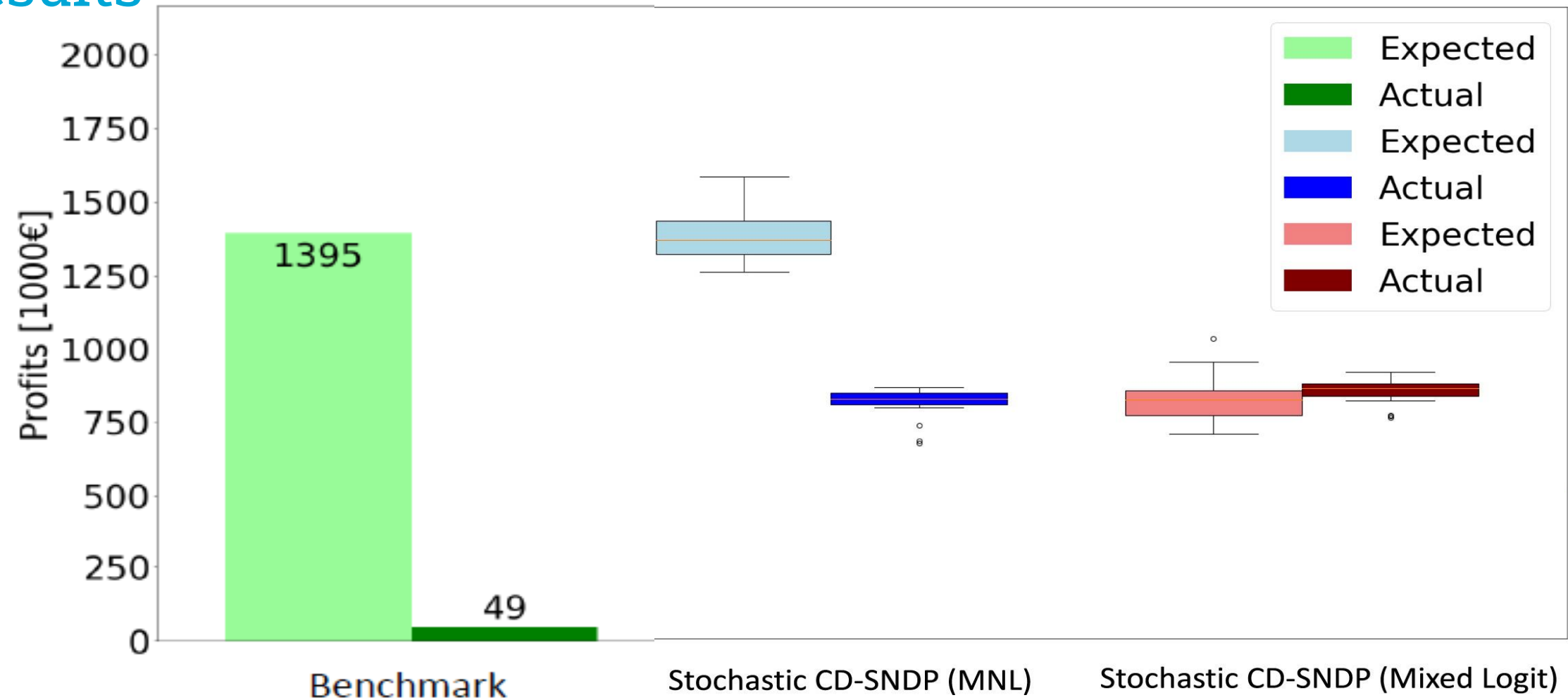


<https://novimove.eu>

[1] Majoor I, et al., "D.2.2: Novimove transport model architecture and data collection", 2021, *Technical report*, NOVIMOVE.

[2] Shobayo P, et al., "Conceptual development of the logistics chain flow of container transport within the Rhine-Alpine corridor", 2021, *European Transport Conference (ETC)*, 1–17.

Results

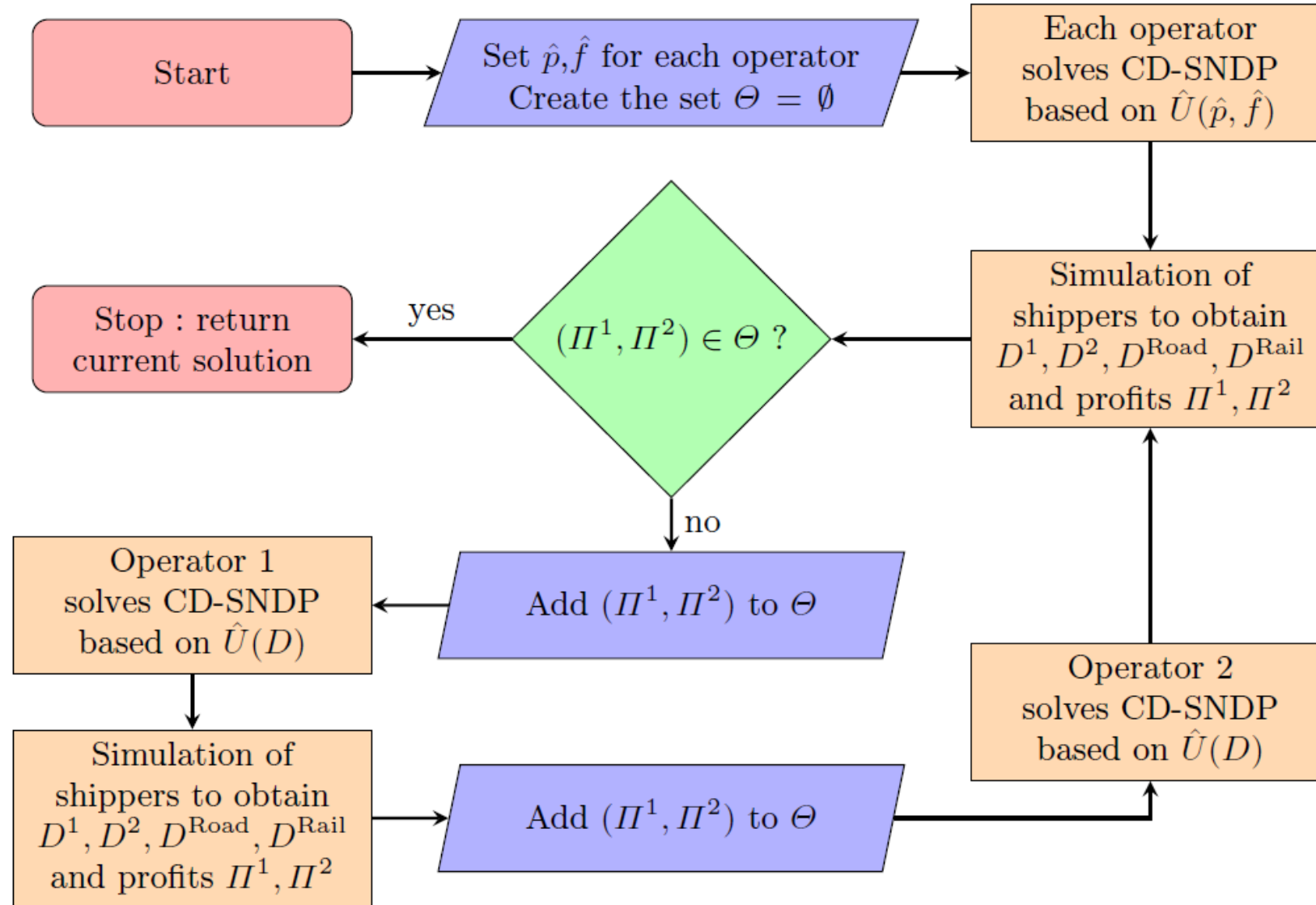


Modal shares	IWT	44% (100%)	37% (39%)	40% (42%)	38%
	Road	44% (0%)	50% (51%)	49% (47%)	55%
	Rail	12% (0%)	13% (10%)	11% (11%)	7%

Limitations

- Full information of the IWT operator
 - About their competitors
 - About the specification of shipper utilities (*even though the exact coefficients are not known*)
- Exogenous and fixed competition
 - No reaction to IWT operator services and prices

Competition concept



$$\hat{U}_{ij}^h = U_{ij}^1 + \ln(D_{ij}^h / D_{ij}^1)$$

Results on the Rotterdam-Duisburg OD pair

Starting assumption

Each operator has:

- 24 small vessels
- 18 big vessels

		\hat{p}									
		30	60	90	120	150	180	210	240	270	300
Profit outcomes											
\hat{f}	5	0.05	0.04	0.03	1	1	1	1	1	1	1
	20	0.09	0.05	0.05	0.05	0.03	1	1	1	1	1
	35	-	0.21	0.09	0.05	0.05	0.05	0.03	1	1	1
Final prices (Operator 1 \ Operator 2)											
\hat{f}	5	133 \ 130	146 \ 143	134 \ 130	286 \ 0	283 \ 0	284 \ 0	284 \ 0	284 \ 0	284 \ 0	284 \ 0
	20	100 \ 97	127 \ 125	138 \ 135	137 \ 134	134 \ 130	288 \ 0	284 \ 0	284 \ 0	284 \ 0	284 \ 0
	35	- \ -	80 \ 78	100 \ 97	127 \ 125	138 \ 135	137 \ 134	134 \ 130	288 \ 0	284 \ 0	284 \ 0
Final frequencies (Operator 1 \ Operator 2)											
\hat{f}	5	35 \ 35	35 \ 35	35 \ 35	35 \ 0	35 \ 0	35 \ 0	35 \ 0	35 \ 0	35 \ 0	35 \ 0
	20	35 \ 35	35 \ 35	35 \ 35	35 \ 35	35 \ 35	35 \ 0	35 \ 0	35 \ 0	35 \ 0	35 \ 0
	35	- \ -	35 \ 35	35 \ 35	35 \ 35	35 \ 35	35 \ 35	35 \ 35	35 \ 0	35 \ 0	35 \ 0
Final IWT share											
\hat{f}	5	68%	66%	66%	28%	28%	28%	28%	28%	28%	28%
	20	75%	68%	67%	68%	66%	28%	28%	28%	28%	28%
	35	0%	79%	75%	68%	67%	68%	66%	28%	28%	28%

77%

Information level

Each operator has:

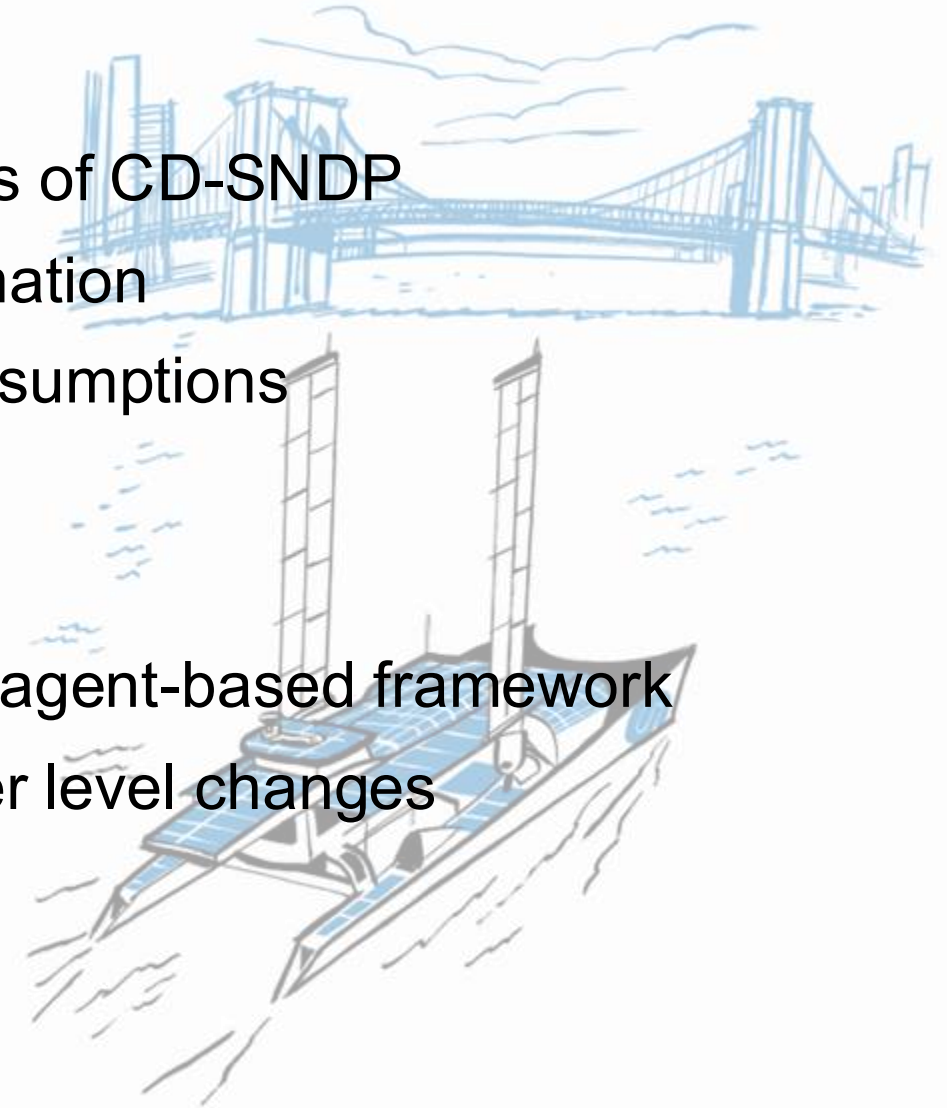
- 24 small vessels
- 18 big vessels
- $\hat{f} = 20$
- $\hat{p} = 60$

		IWT operator 2	
		Limited	Full
		Profit outcomes	
IWT operator 1	Limited	0.05	0.05
	Full	1	0.06
		Final prices	
IWT operator 1	Limited	127\125	164\164
	Full	152\0	127\127
		Final frequencies	
IWT operator 1	Limited	35\35	35\35
	Full	35\0	35\35
		Final IWT share	
IWT operator 1	Limited	68%	61%
	Full	50%	68%

Asymmetry of information is reducing the overall market share

Conclusions & Future Work

- Competition concept to address the limitations of CD-SNDP
 - Reaction of competitor and imperfect information
- Equilibrium solution highly depends on the assumptions
 - Need of careful validation
- Inclusion of more players → a more realistic agent-based framework
- Inclusion of dynamic pricing, e.g., due to water level changes
- Consideration of Revenue Management



A Model-Assisted Reinforcement Learning for Synchromodal Transport

PhD work of



Yimeng Zhang

Earlier PhD students



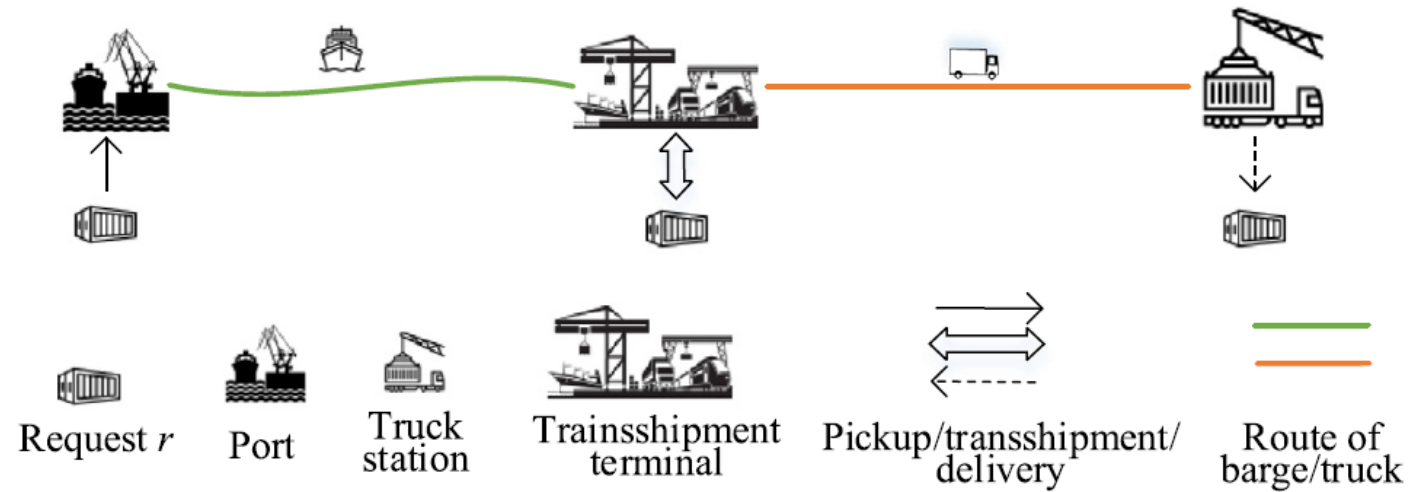
Wenjing Guo



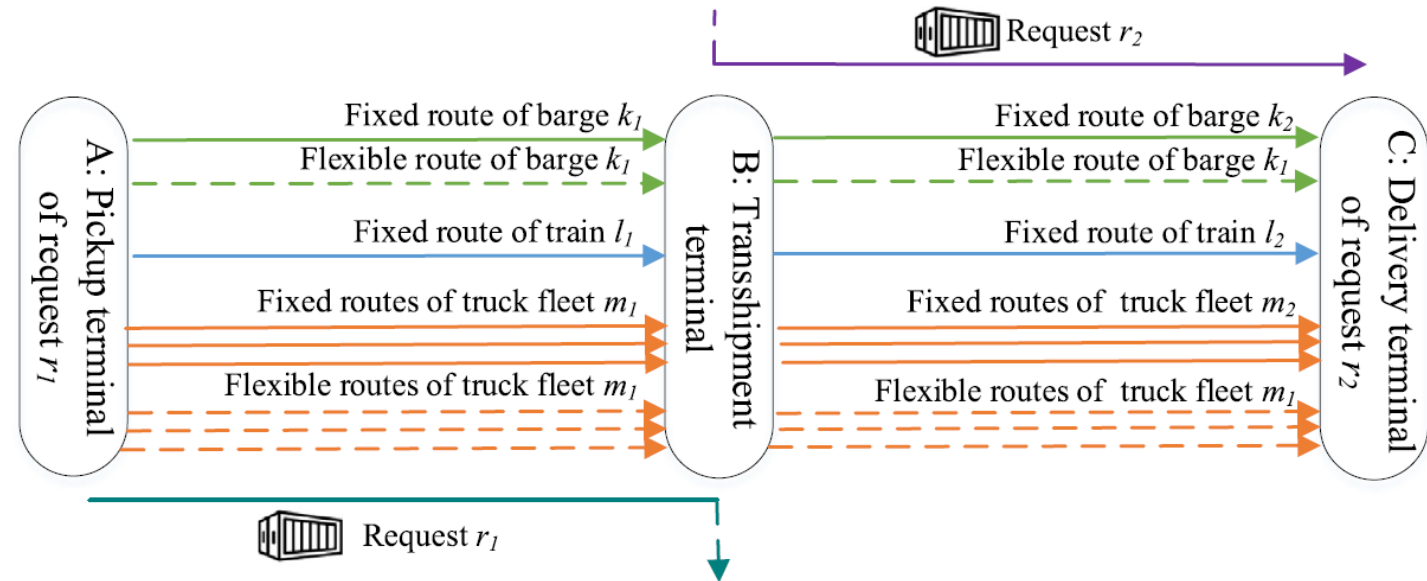
Rie Larsen

Introduction

Transshipment
between multiple
transport modes

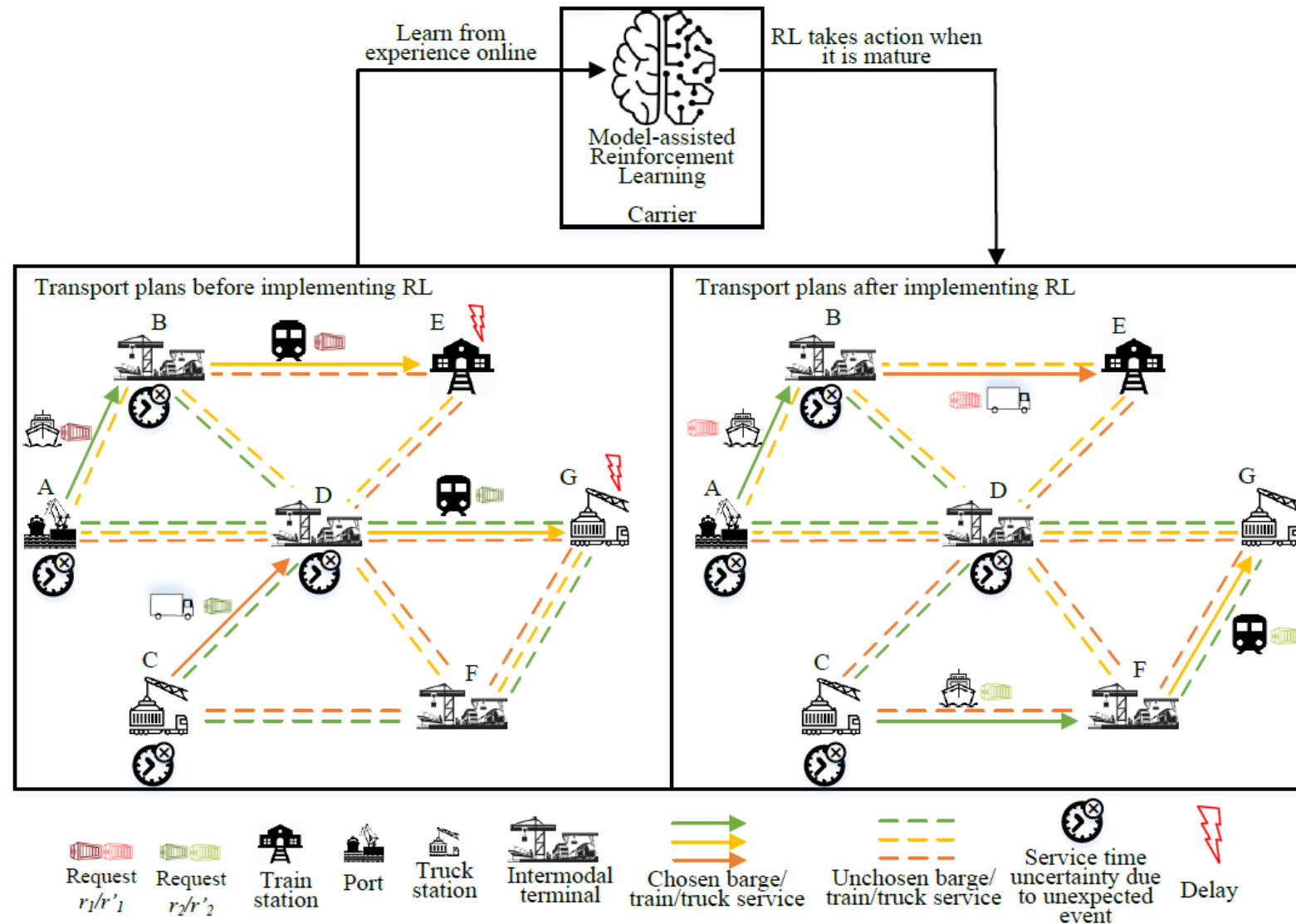


Multiple types of
services (fixed and
flexible services)



Introduction

Service time uncertainty at the terminals



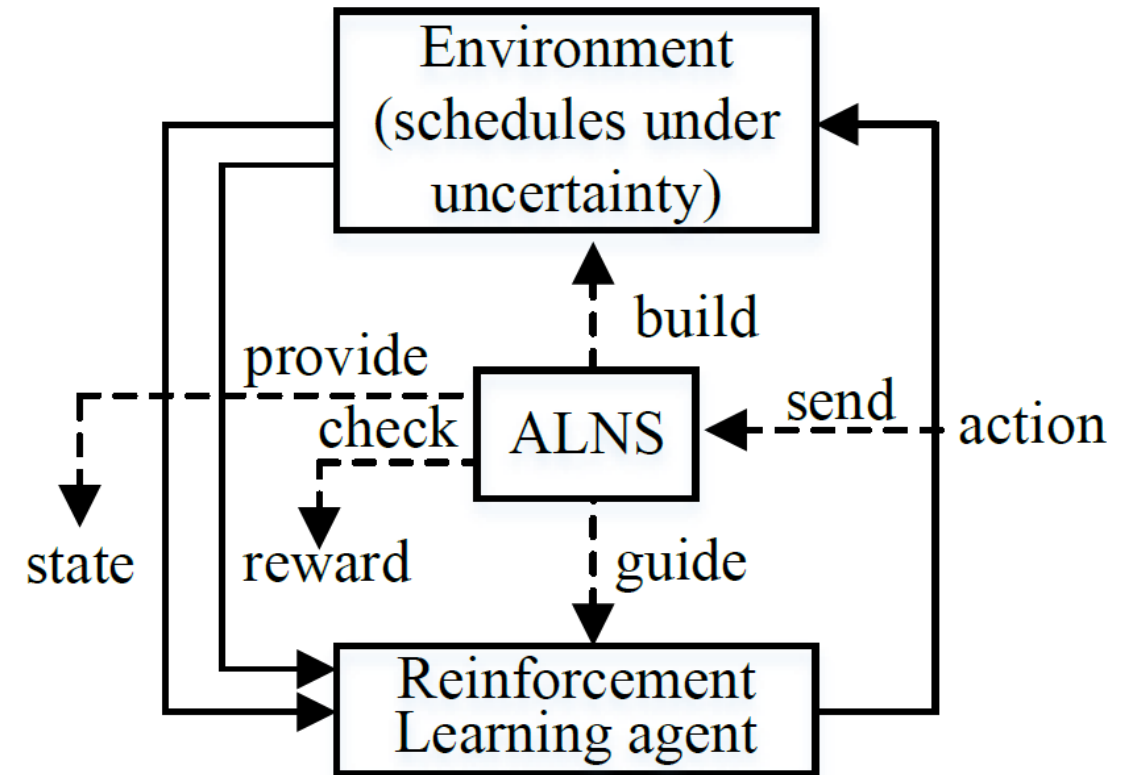
Reinforcement Learning (RL):
learn from the experience and adjust the routes and schedules to
avoid delay when unexpected events happen.

Modeling framework

- Initial transport plan by ALNS

When there is a disturbance / disruption:

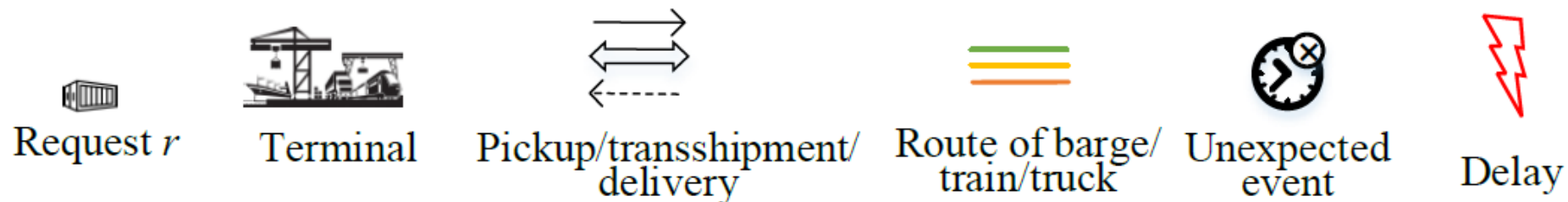
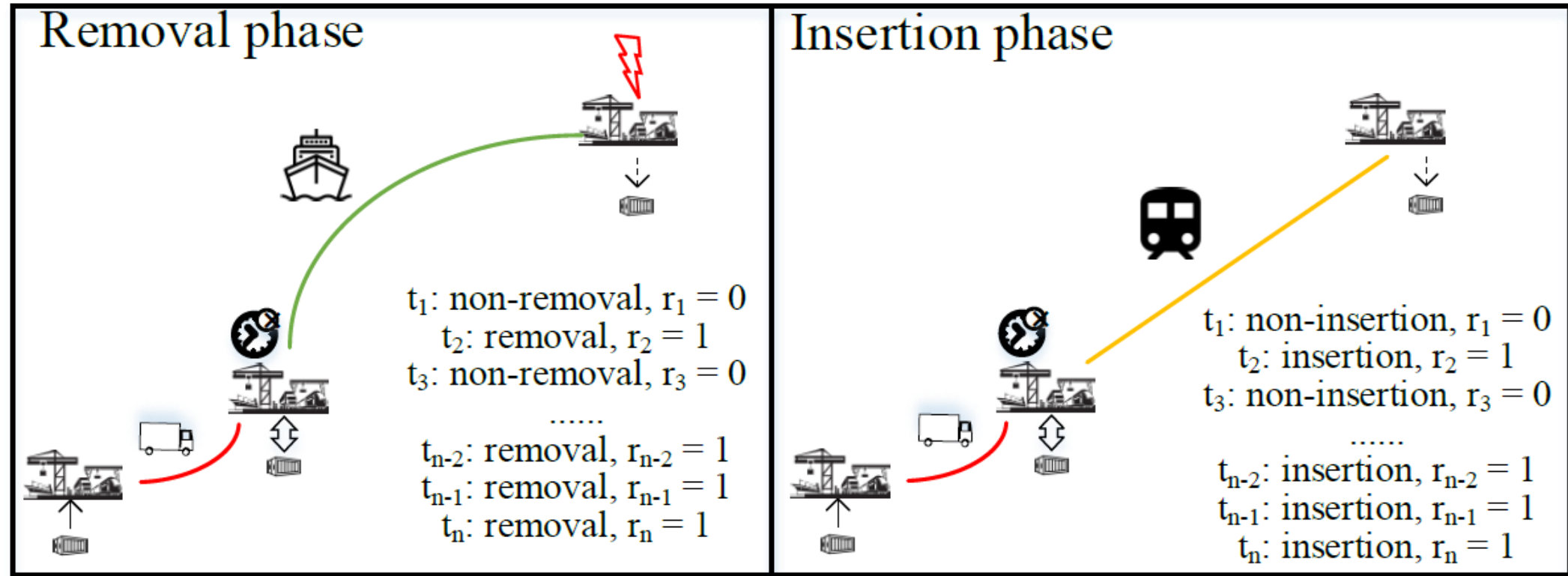
- Identify the set of affected requests
- Take action
 - (Benchmark) Waiting strategy
 - (Benchmark) Average duration strategy
 - RL strategy - *when mature enough*
- Rewards are provided by ALNS



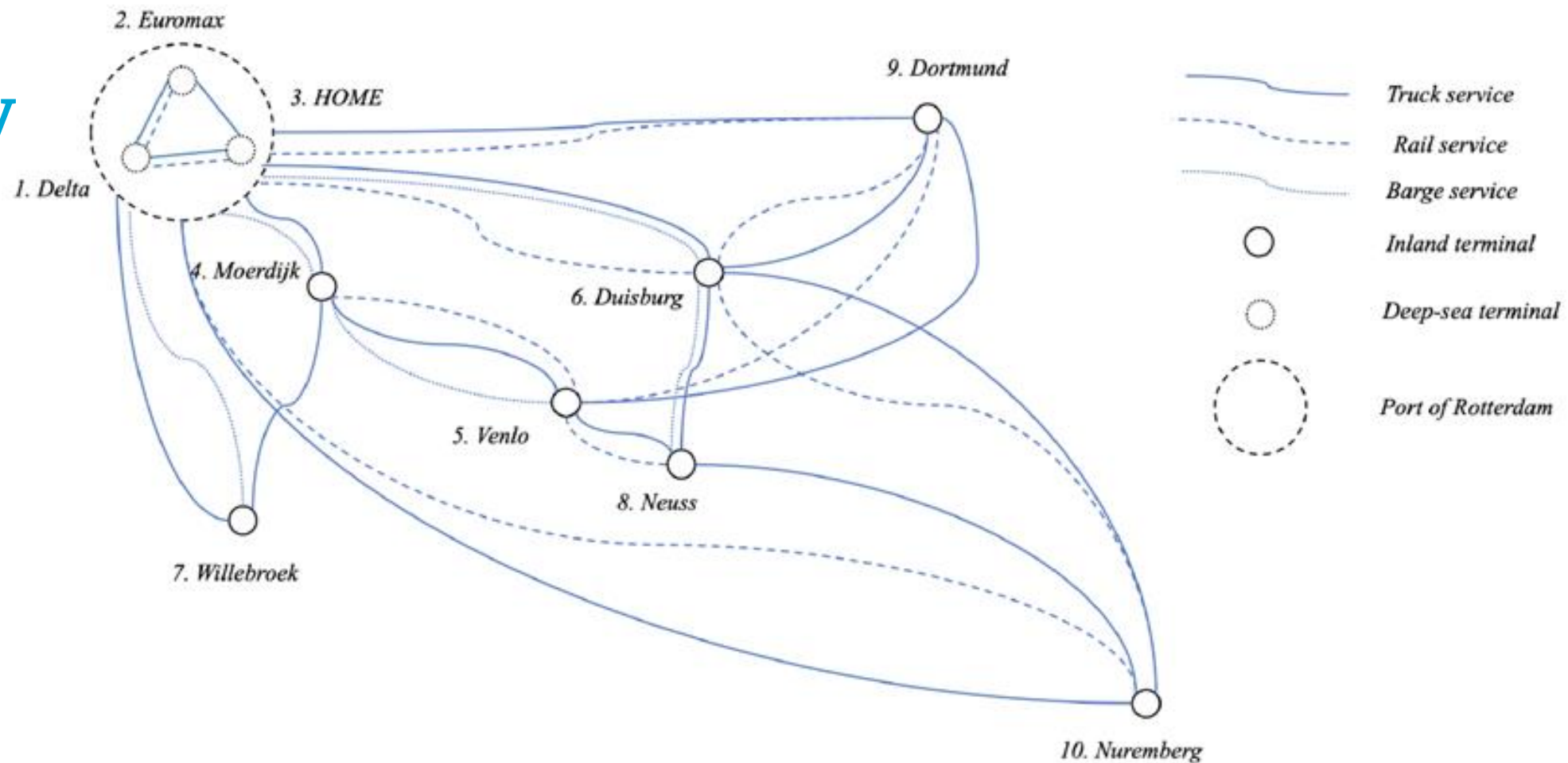
RL methodology

- RL learns how to replan, rather than the distribution of unexpected events
- State: current time, passed terminals, travel time between terminals, delay tolerance
- Action:
 - Removal phase: removal or waiting
 - Insertion phase: insertion or not
- Reward: 1 if the right action is taken, 0 otherwise
 - Right action :
 - the action is removal/not-insert and there is delay when the event finishes
 - the action is waiting/insertion and there is no delay when the event finishes

RL methodology



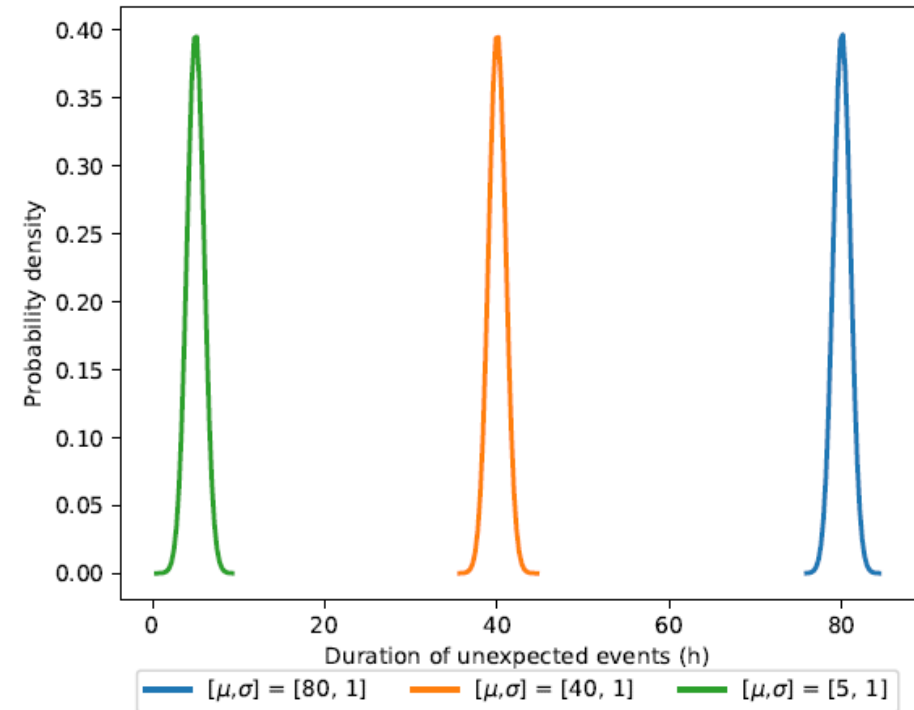
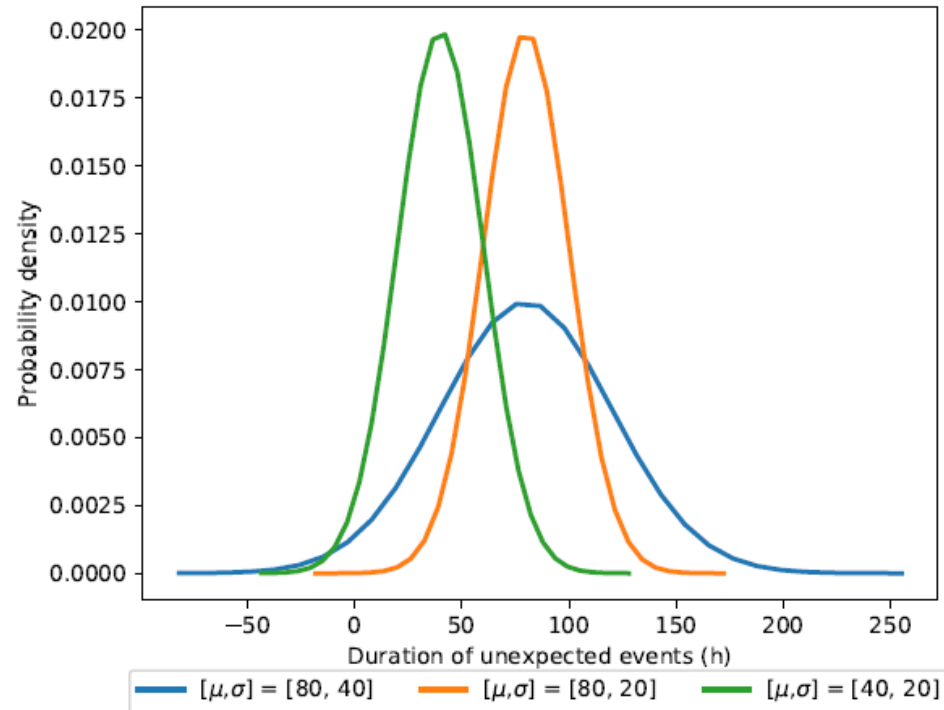
Case study



European Gateway Services (EGS) network in the Rhine-Alpine corridor:

- 3 terminals in the Port of Rotterdam
- 7 inland terminals in The Netherlands, Belgium, and Germany
- a total of 116 services: 49 barges, 33 trains, and 34 truck services
- tested with 5, 10, 20, 30, 50, and 100 shipment requests

Case study



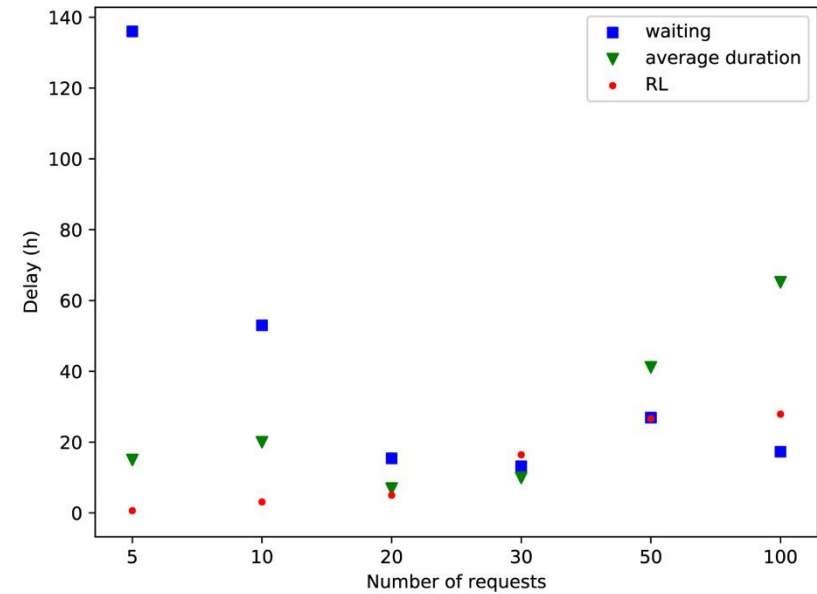
Scenarios

- Disturbances - Severe disturbances – Disruptions (*distributions are not known to RL*)
- Different terminals with different types of events
- Each terminal has multiple types of events

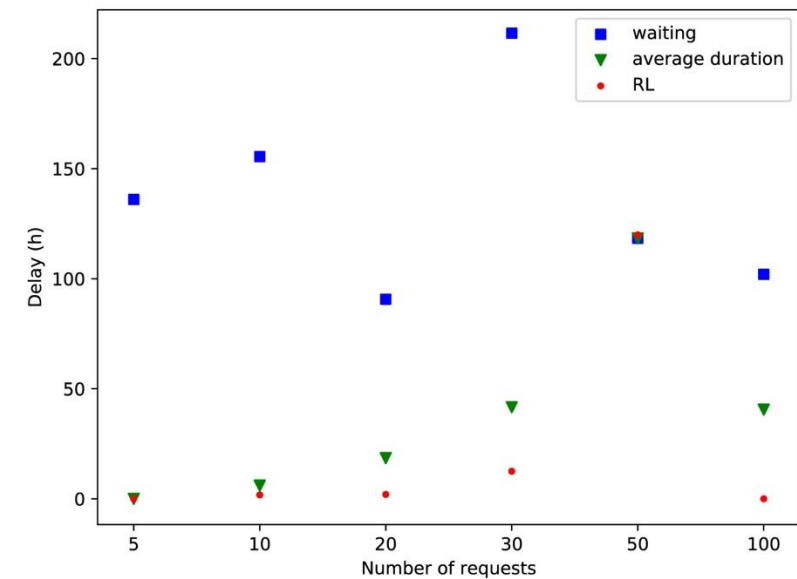
Case study

Results with one type of event per terminal

- The delay of RL strategy is better than the benchmarks
 - 80% of the time better than both
 - 20% of the time better than only one
- Average improvement in delay:
 - 54% wrt waiting
 - 10% wrt average duration



(c) severe disturbances with medium variations ([40,20])



(d) disruptions ([80,1])

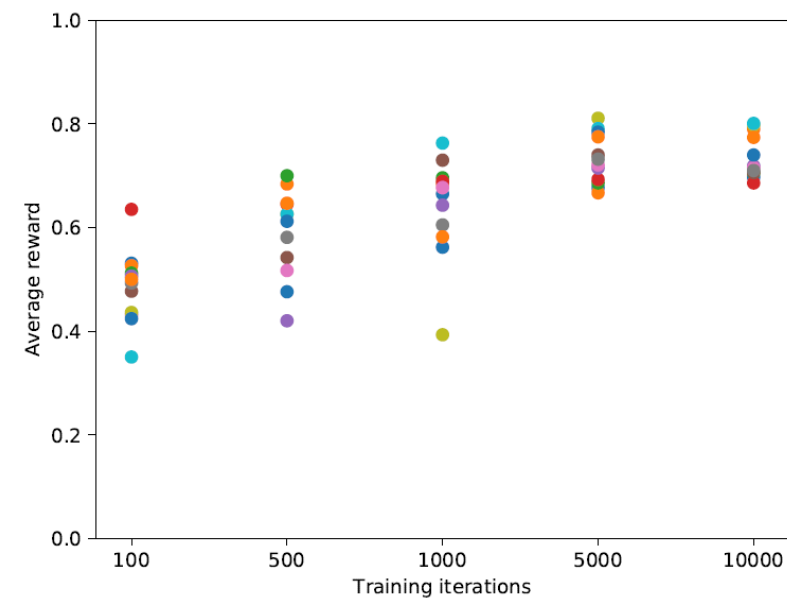
Case study

With the possibility of multiple events at a given terminal

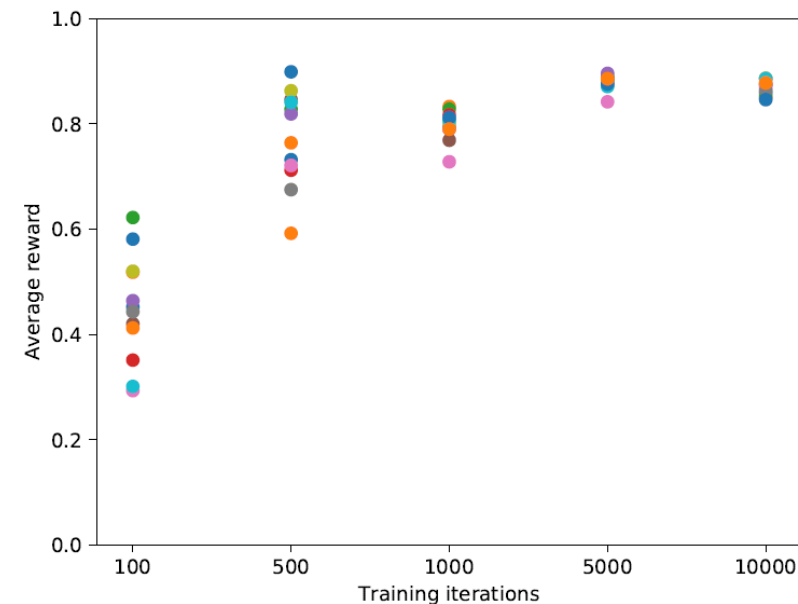
- RL is enriched with severity label information

Severity levels of events:

- Level 1: duration ≤ 20
- Level 2: duration $\in (20, 40]$
- Level 3: duration $\in (40, 60]$
- Level 4: duration $\in (60, 80]$
- Level 5: duration $\in (80, 100]$
- Level 6: duration > 100



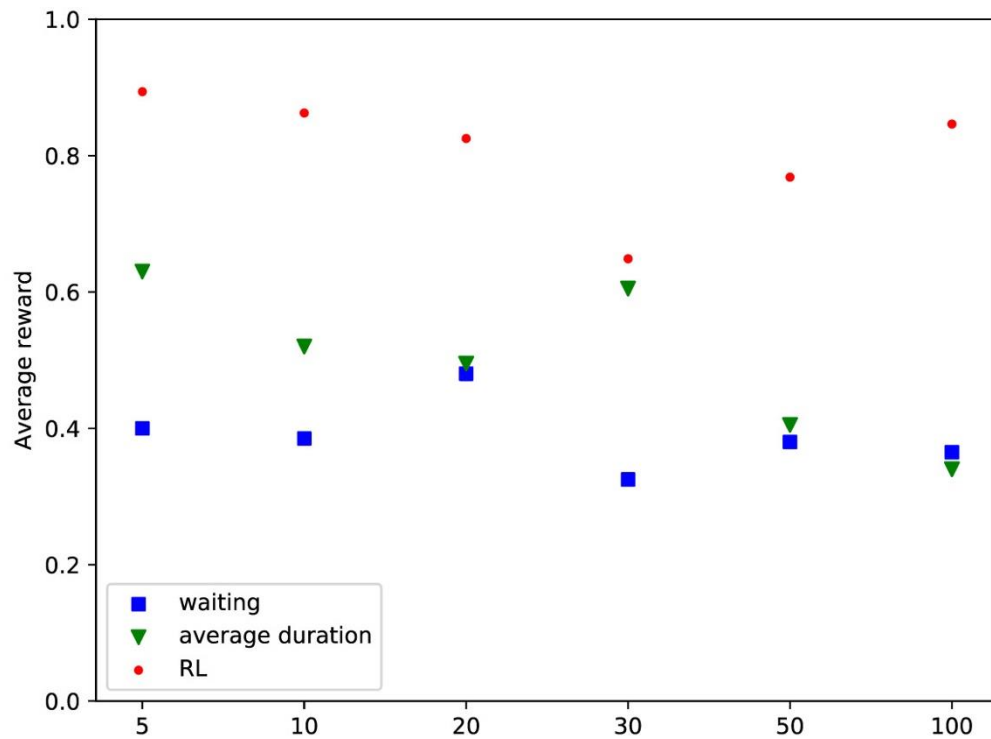
(c) Six events without severity levels



(d) Six events with severity levels

Case study

- Average improvement in delay:
 - 53% wrt waiting
 - 29% wrt average duration

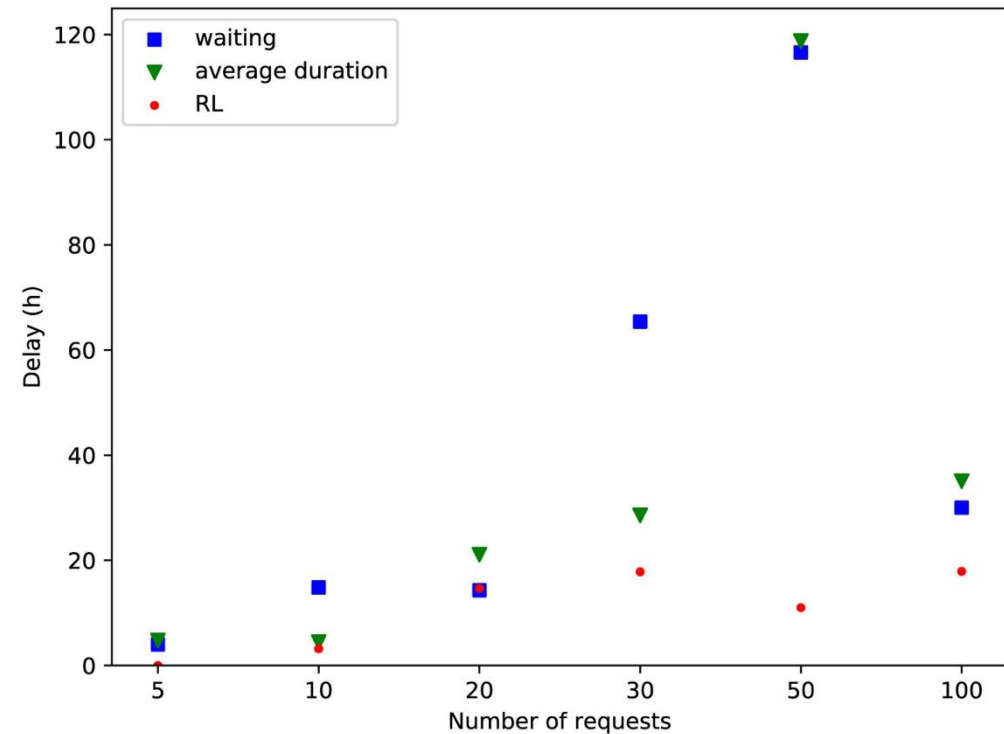


(b) six events [5, 1], [80, 5], [40, 5], [5, 1], [40, 20], [80, 40]

Note: the total training time needed can change from 1-2 hours to 48 hours across different instances/scenarios

Other transport performance metrics

- Average cost savings of 44%
- Average waiting time reduction of 25%



(b) six events [5, 1], [80, 5], [40, 5], [5, 1], [40, 20], [80, 40]

Ongoing & Future Work

- Different reward functions
 - Continuous functions reflecting better the cost
- Different types of uncertainty
 - Travel time uncertainty, demand uncertainty
- Decentralized decision making
 - Considering different actors (LSPs, operators...)
- Incorporation of behavior

Integrated Synchromodal Transport Planning and Preference Learning

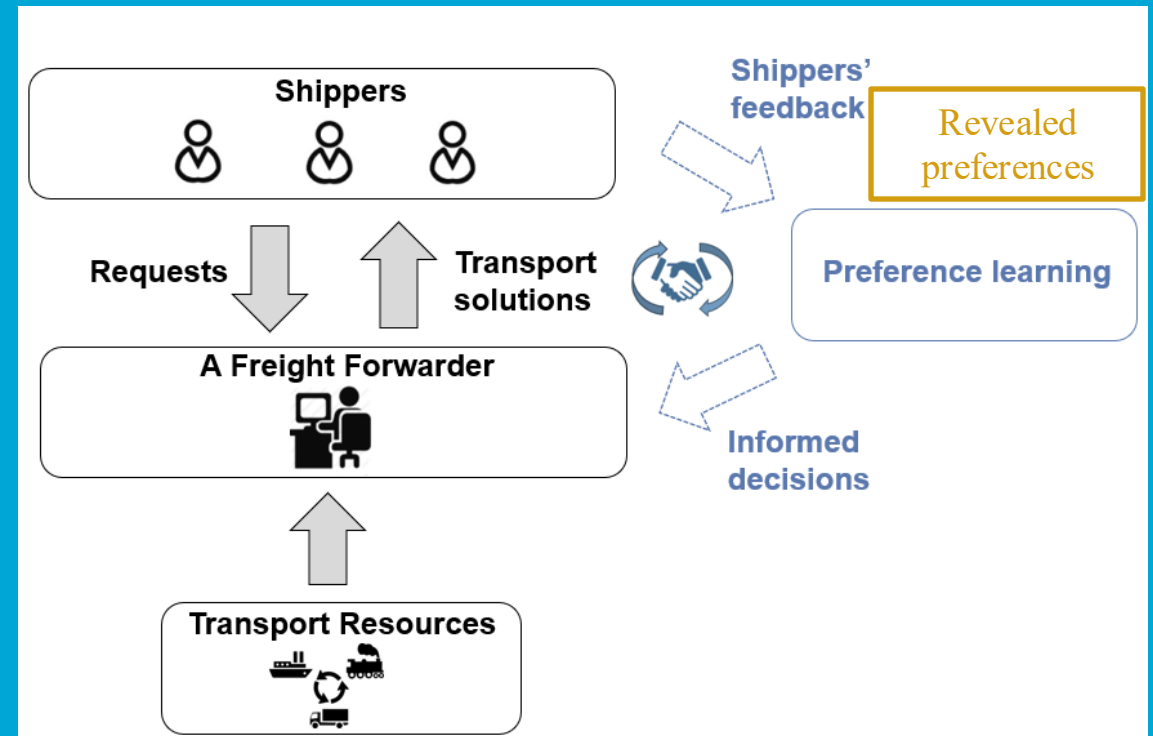
In collaboration with



Mingjia He, ETH



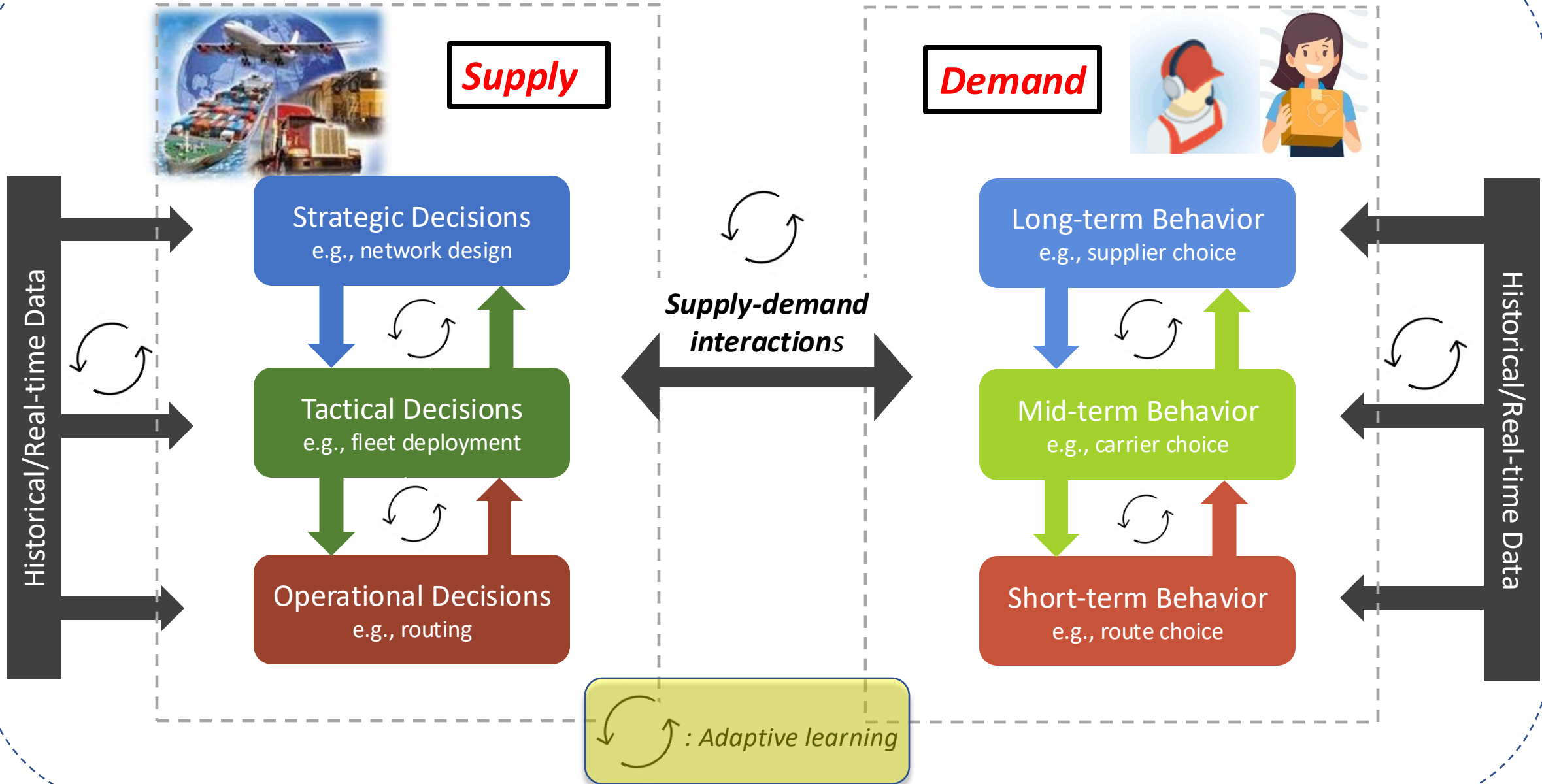
Yimeng Zhang, TU Delft



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Adaptive Transportation Systems



Some interesting questions

Having information from earlier realizations of the operations...

- Can we learn the cost of reliability (to be incorporated already at the tactical level)?
- Can we embed learning in the decision making directly, where the underlying models for user behavior and transport system characteristics are embedded?
- Can we better quantify the trade-off between the cost of delays for example and the cost of embedding buffers upfront?

Can optimization + learning also help to handle the complexity of choice-based optimization?

Inverse Optimization

in collaboration with:

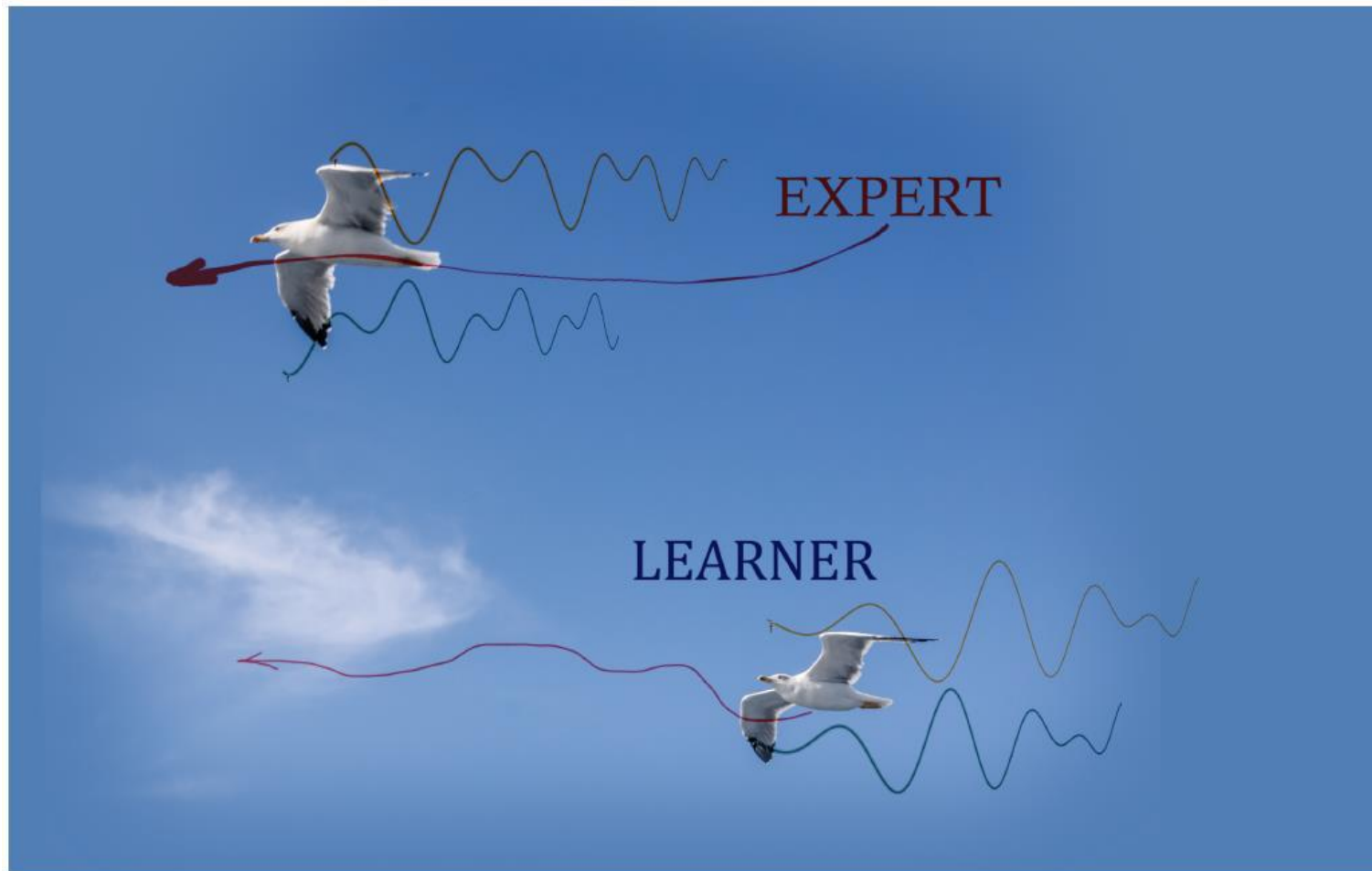


Pedro Zattoni Scroccaro



Peyman Mohajerin Esfahani

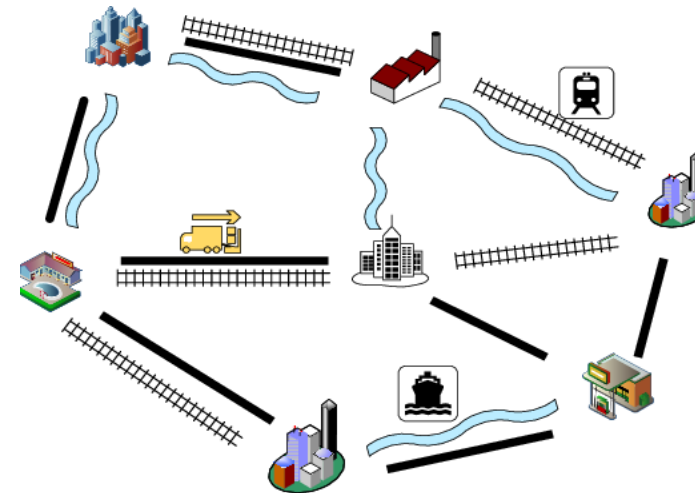
Inverse Optimization



Inverse Optimization

Given a **signal** (input), the **expert** computes its **response** (output) by optimizing an unknown cost

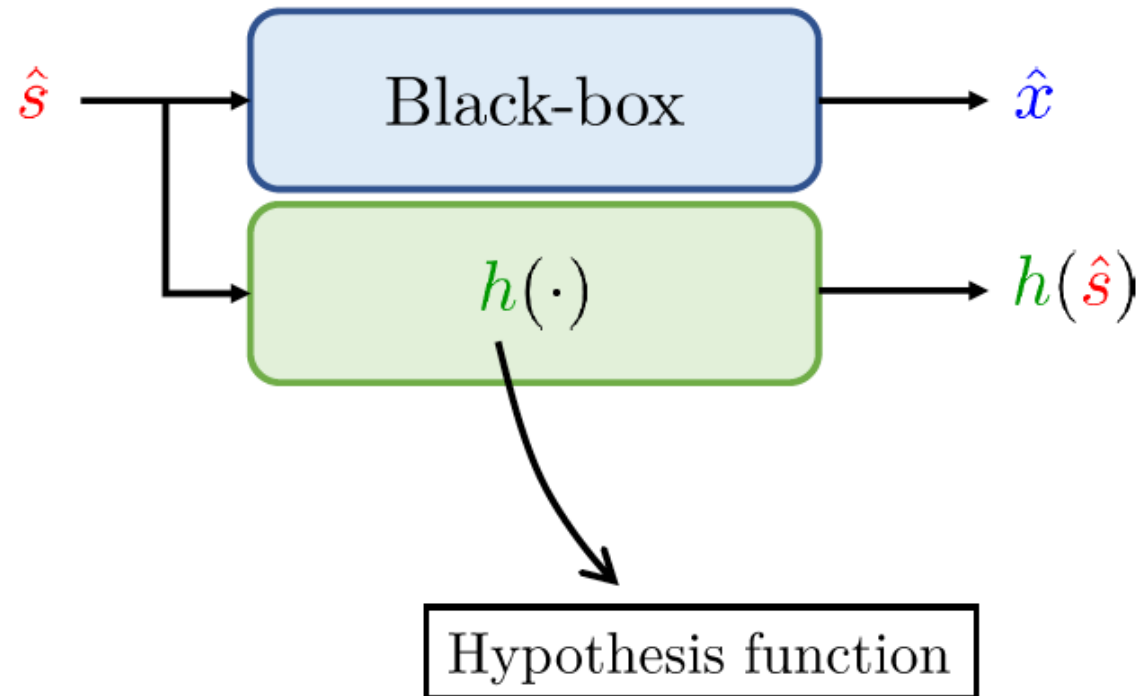
$$\hat{x} = \arg \min_{x \in \mathbb{X}(\hat{s})} F(\hat{s}, x)$$



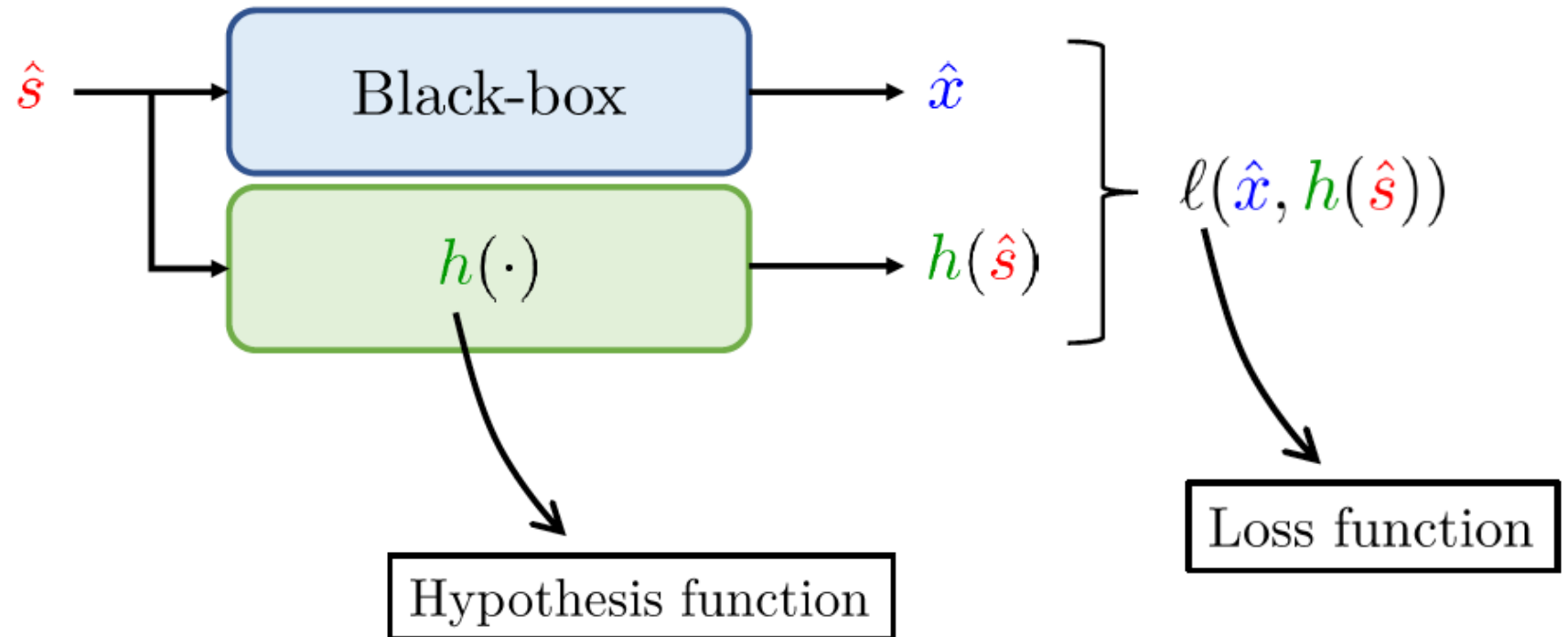
Supervised learning point of view



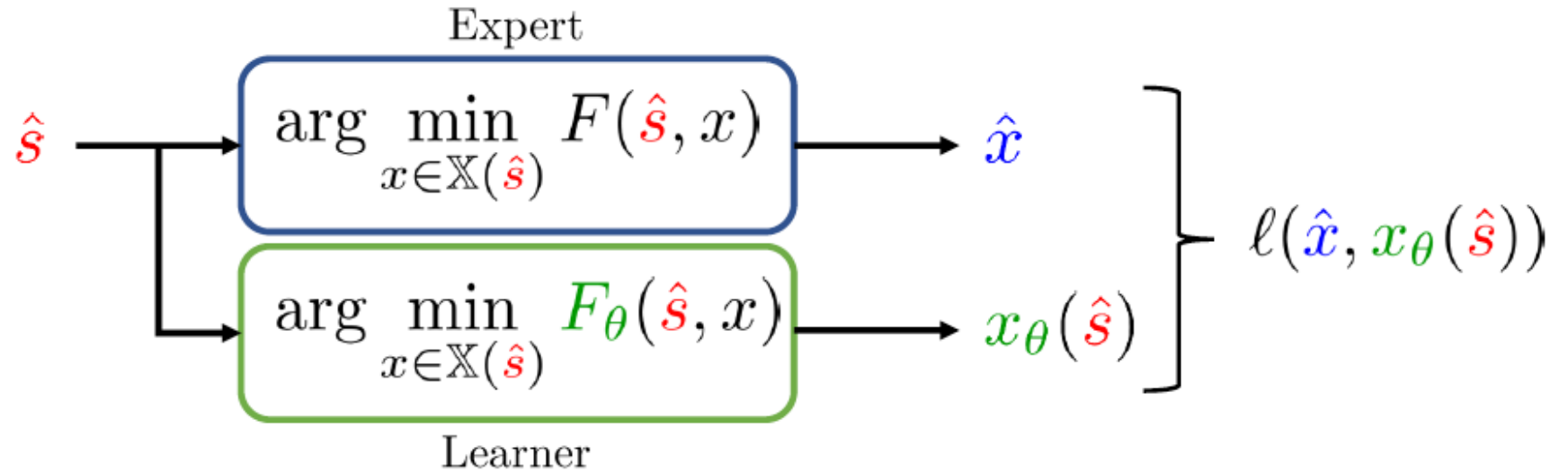
Supervised learning point of view



Supervised learning point of view



Supervised learning point of view

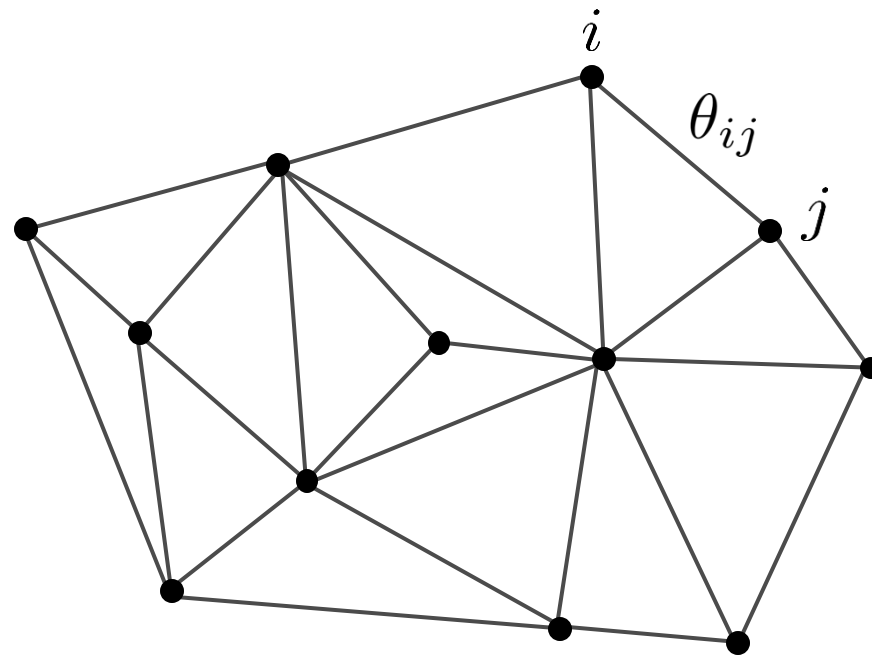


- $F(\hat{s}, x)$ is the unknown cost of the expert

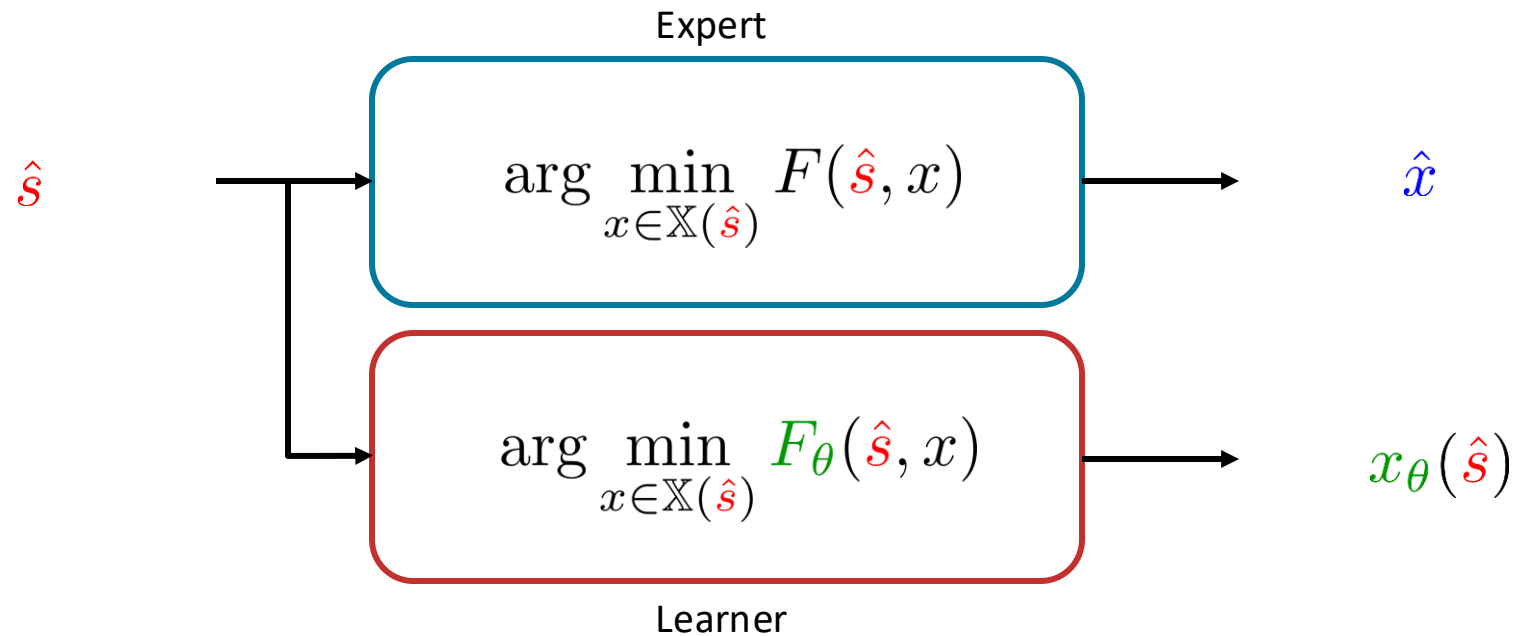
Inverse Optimization Overview

- Training dataset: $\{(\hat{s}_1, \hat{x}_1), \dots, (\hat{s}_N, \hat{x}_N)\}$
- Choose hypothesis space: $\{F_\theta \mid \theta \in \Theta\}$
- Optimize loss: $\min_{\theta \in \Theta} \kappa \mathcal{R}(\theta) + \frac{1}{N} \sum_{i=1}^N \ell(\hat{x}_i, x_\theta(\hat{s}_i))$

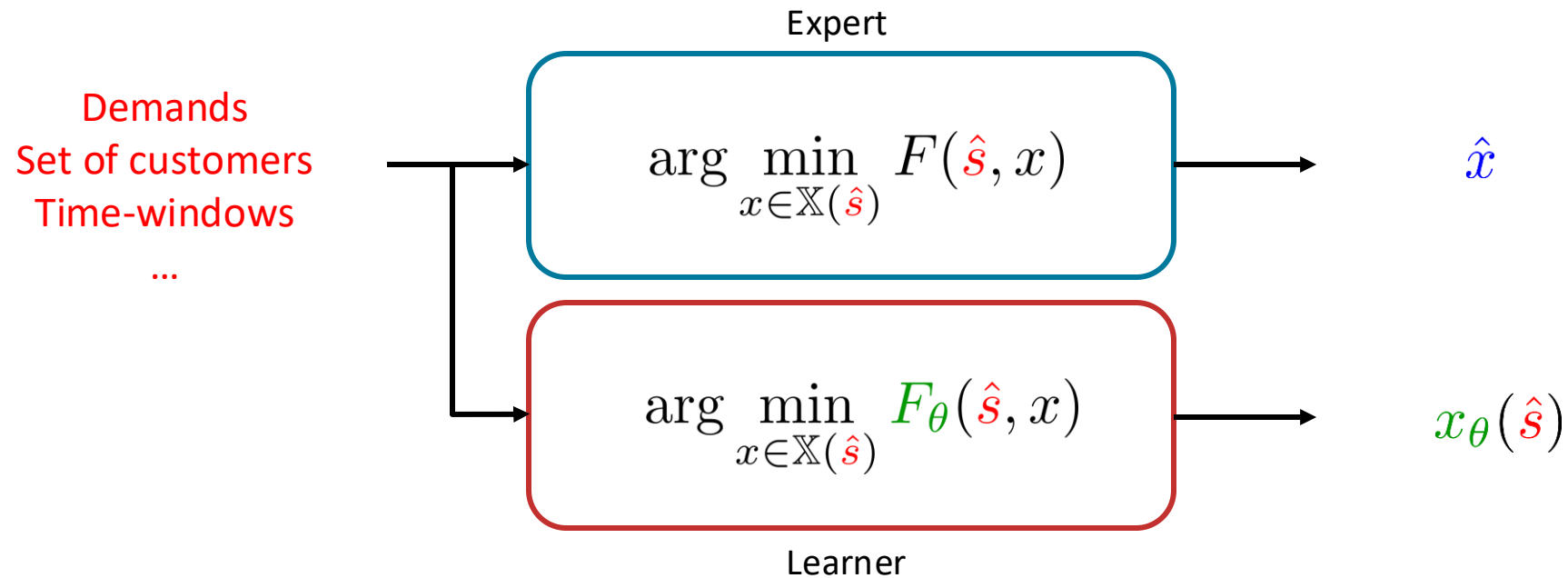
Routing Problems



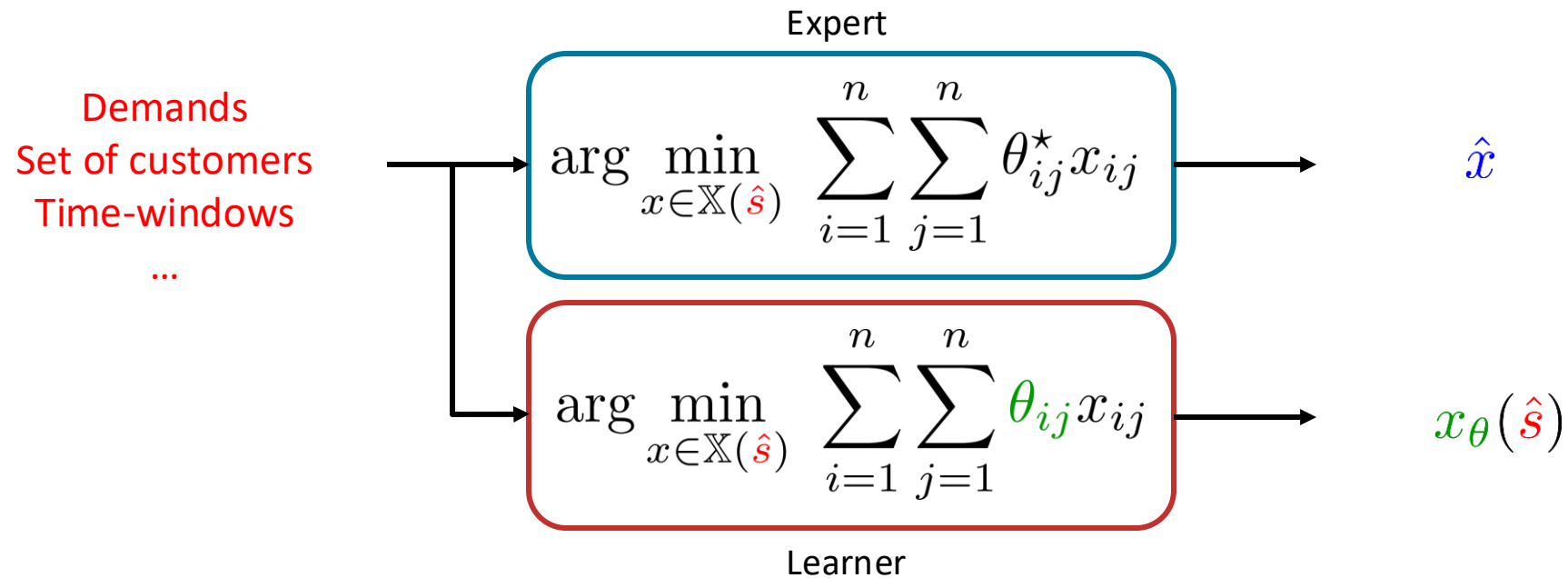
Inverse Optimization for Routing Problems



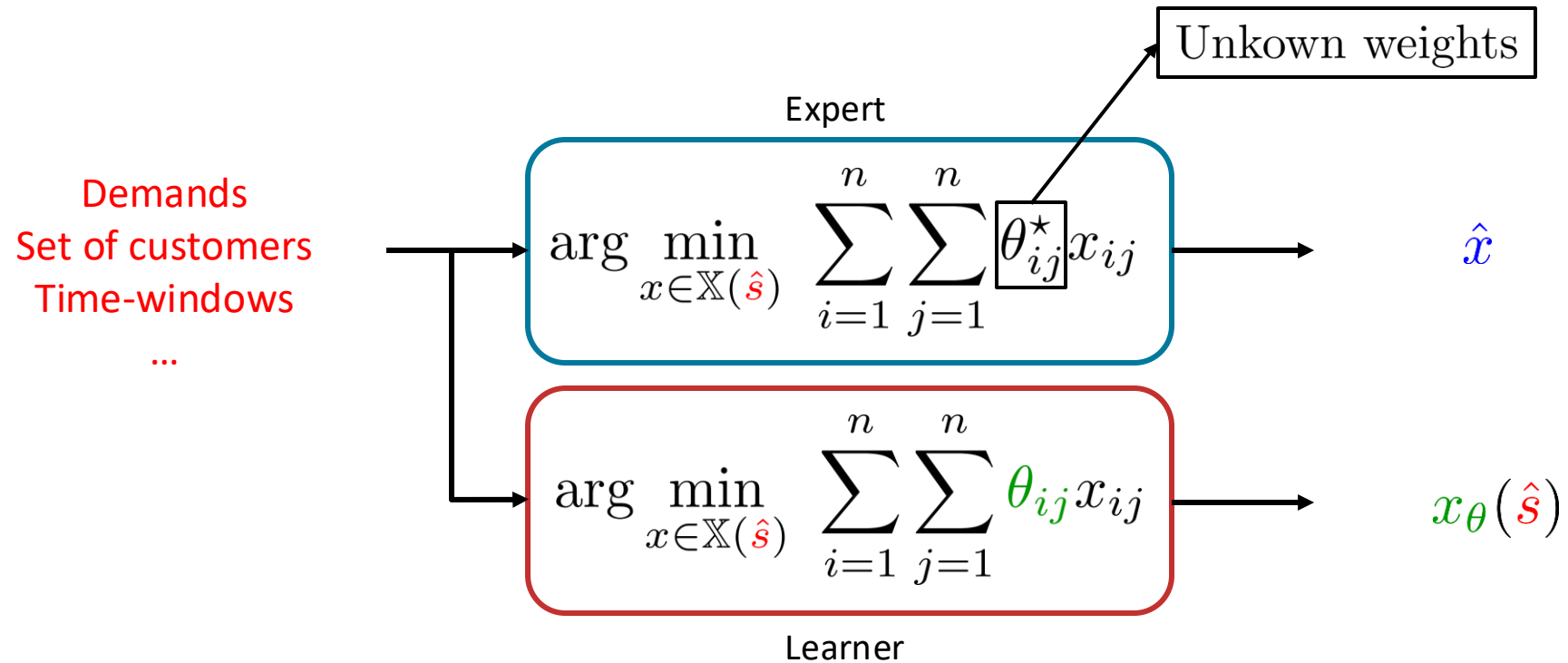
Inverse Optimization for Routing Problems



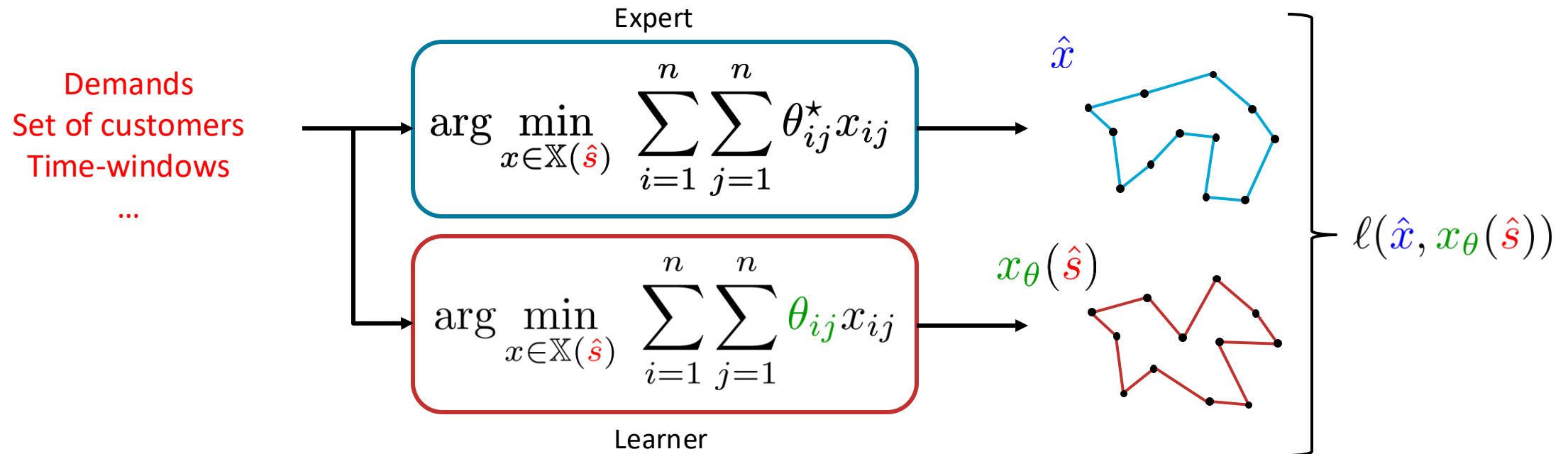
Inverse Optimization for Routing Problems



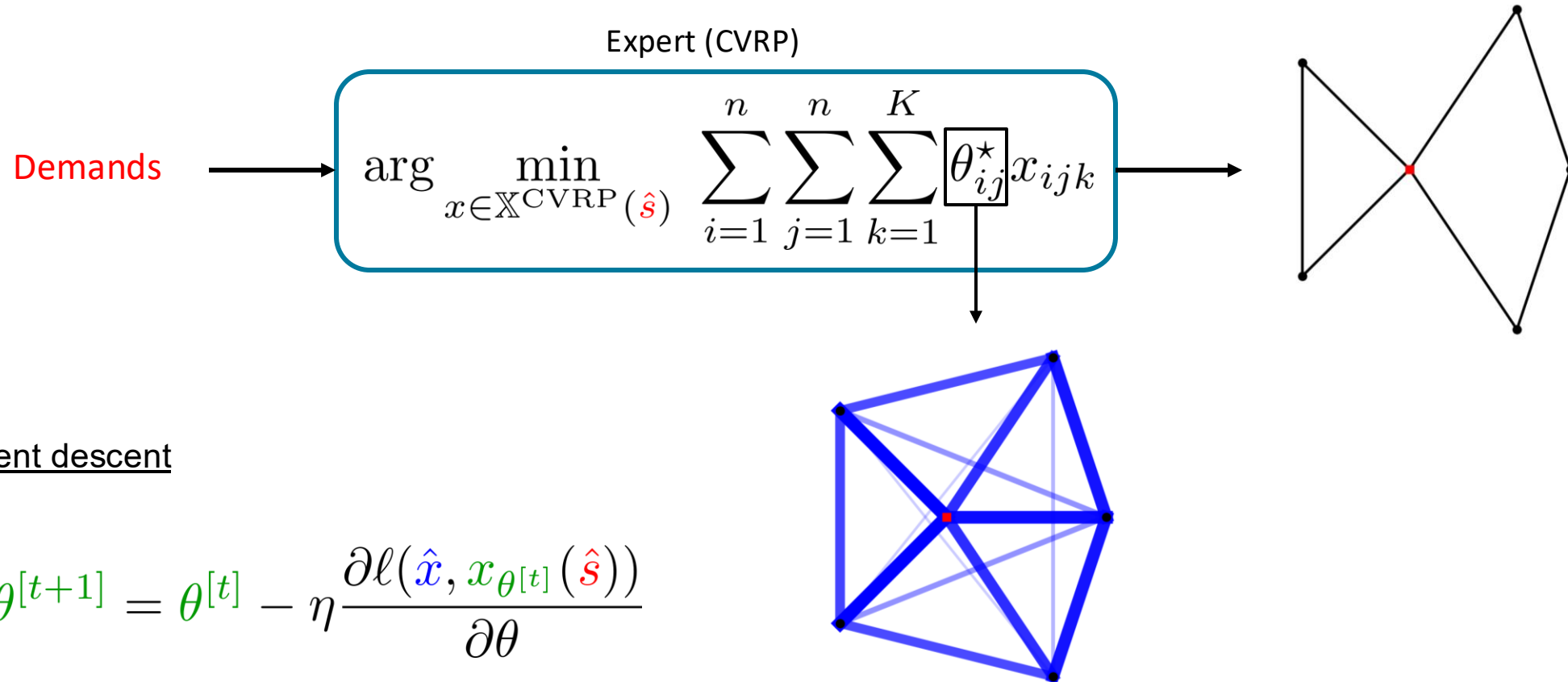
Inverse Optimization for Routing Problems



Inverse Optimization for Routing Problems

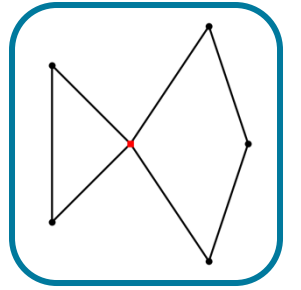


Simple CVRP example

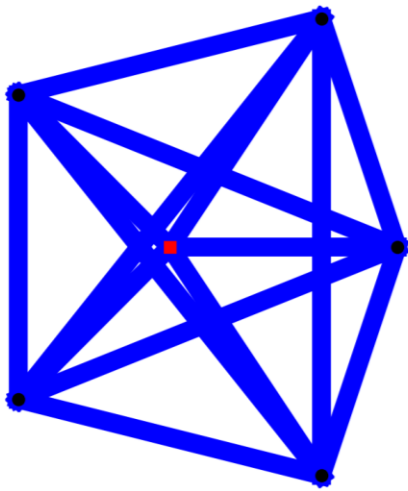


Learning Algorithm

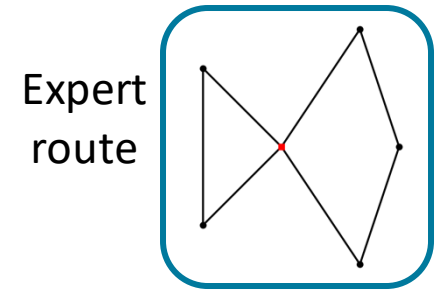
Expert
route



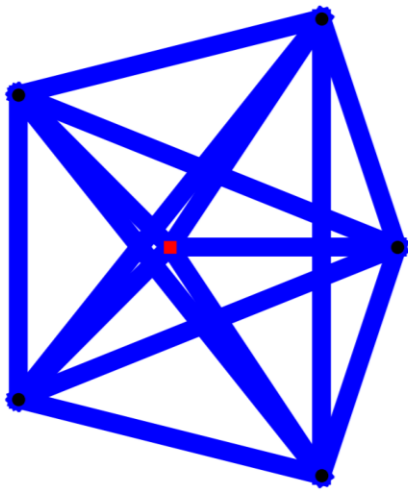
$\theta^{[0]}$



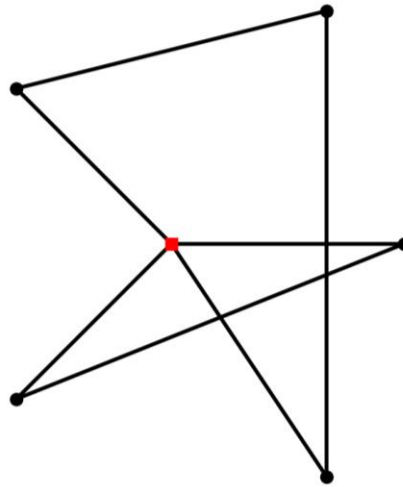
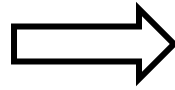
Learning Algorithm



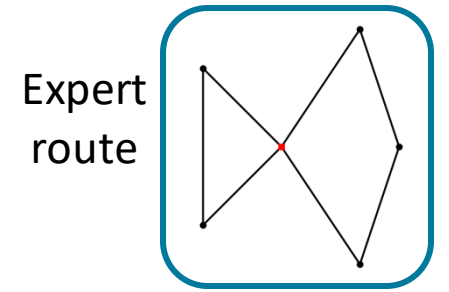
$\theta^{[0]}$



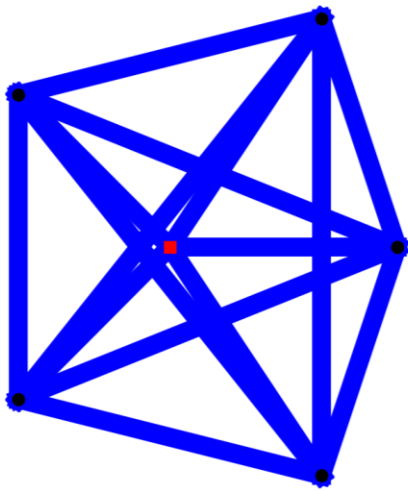
$\text{CVRP}(\theta^{[0]})$



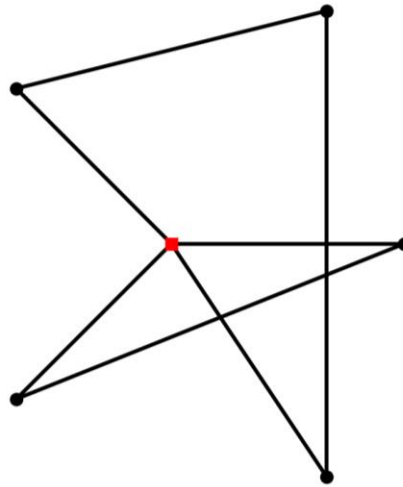
Learning Algorithm



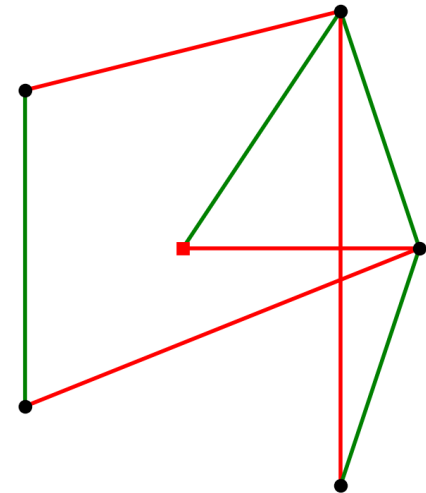
$\theta^{[0]}$



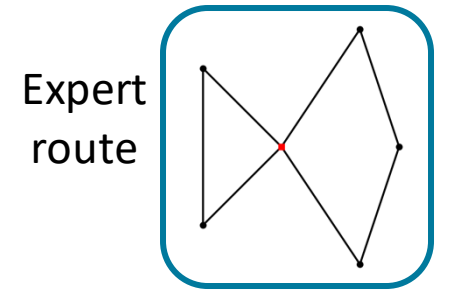
$\text{CVRP}(\theta^{[0]})$



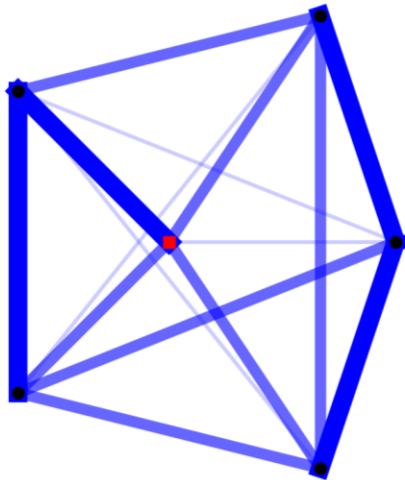
Route difference



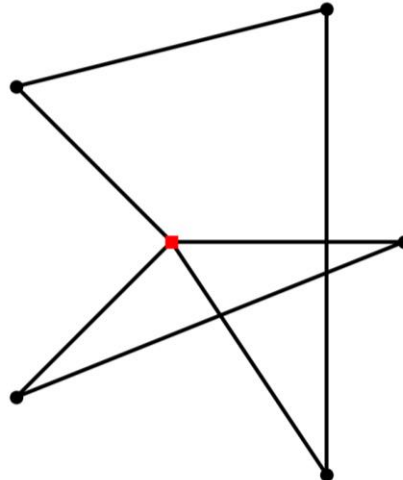
Learning Algorithm



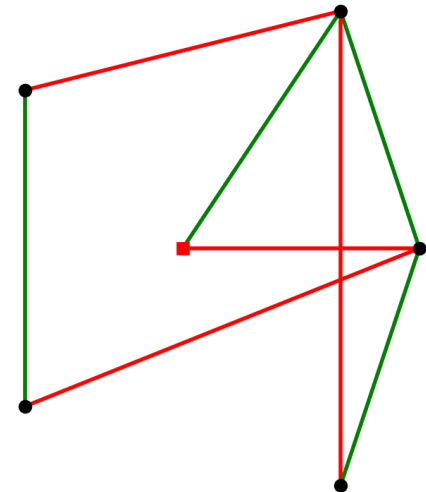
$\theta^{[1]}$



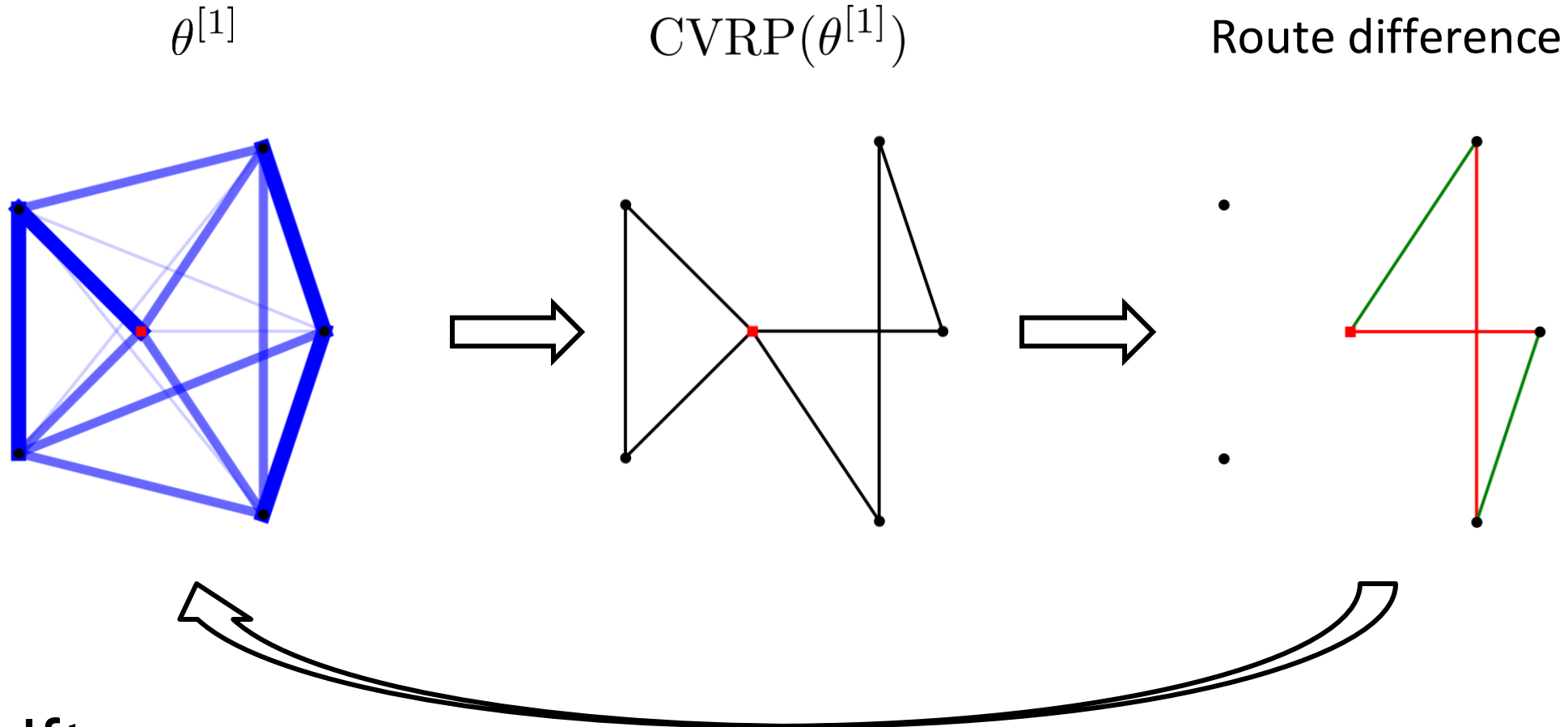
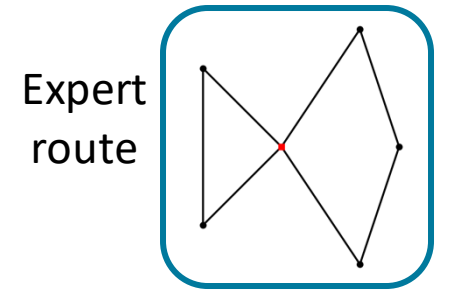
$\text{CVRP}(\theta^{[0]})$



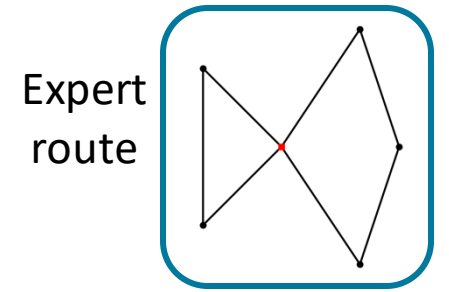
Route difference



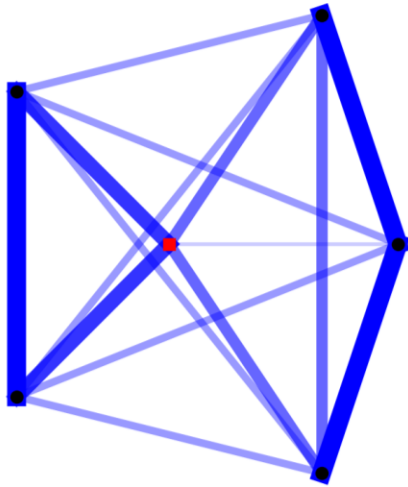
Learning Algorithm



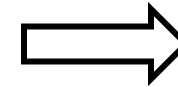
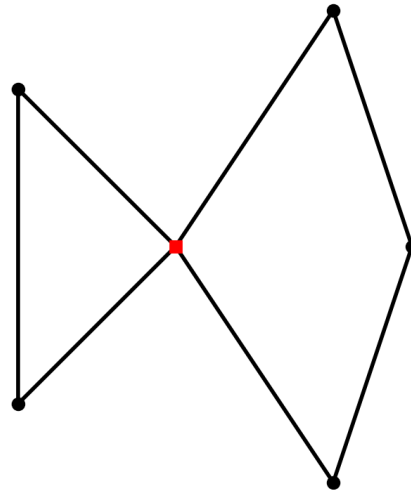
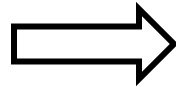
Learning Algorithm



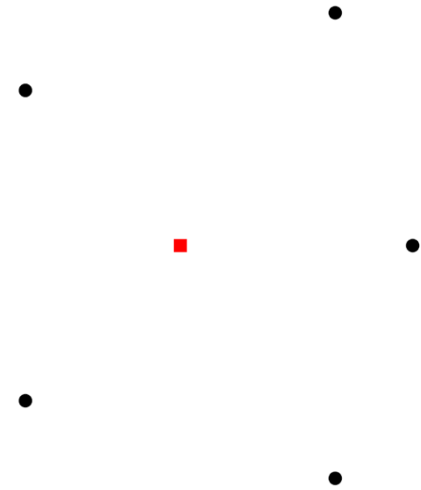
$\theta^{[2]}$



$\text{CVRP}(\theta^{[2]})$



Route difference



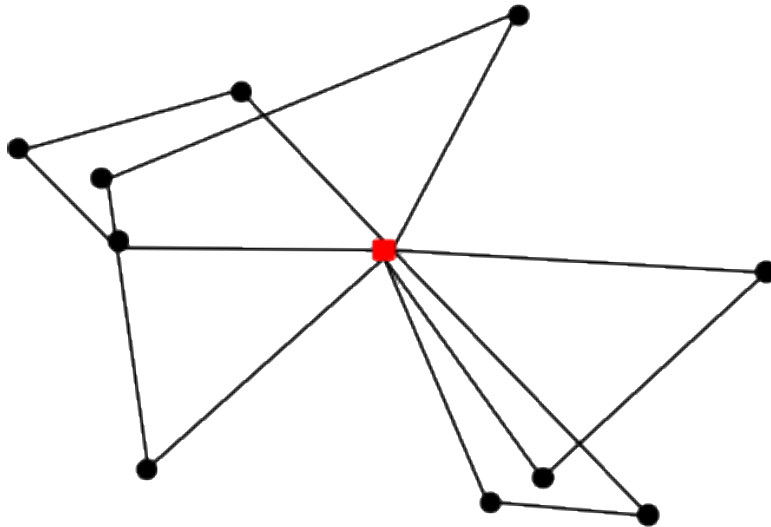
Dynamic Routing Problems

Learn How to Dispatch or Postpone

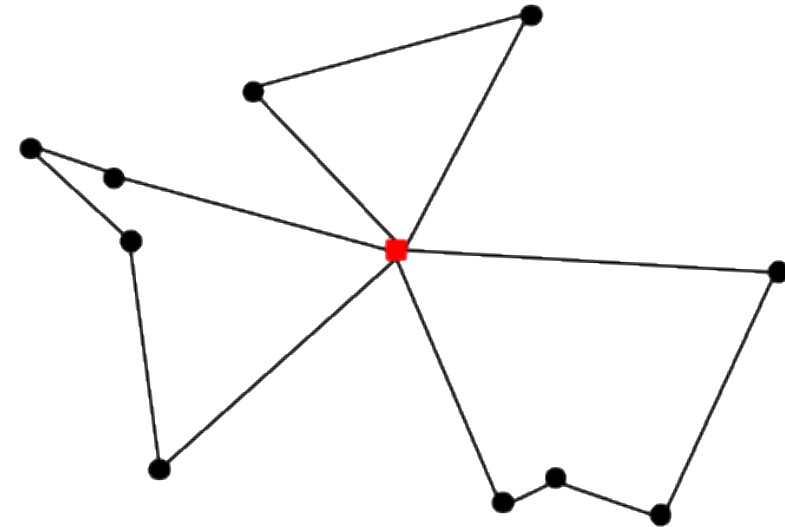
- Dataset of historical examples
- Approach: model the problem as a prize-collecting DVRP* and apply our IO method

Optimal prizes \rightarrow dynamic routes = best routes in hindsight

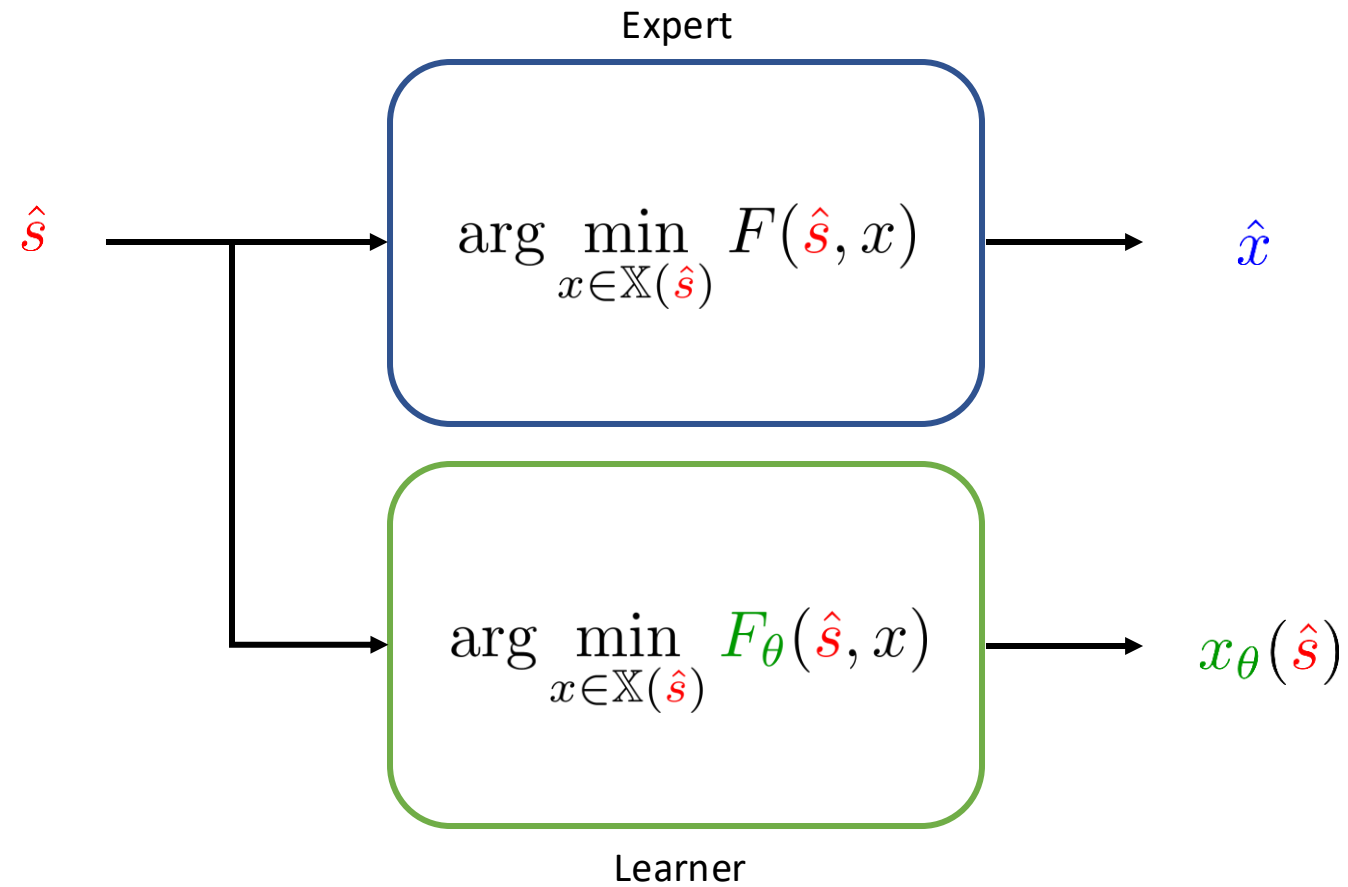
Dynamic routes



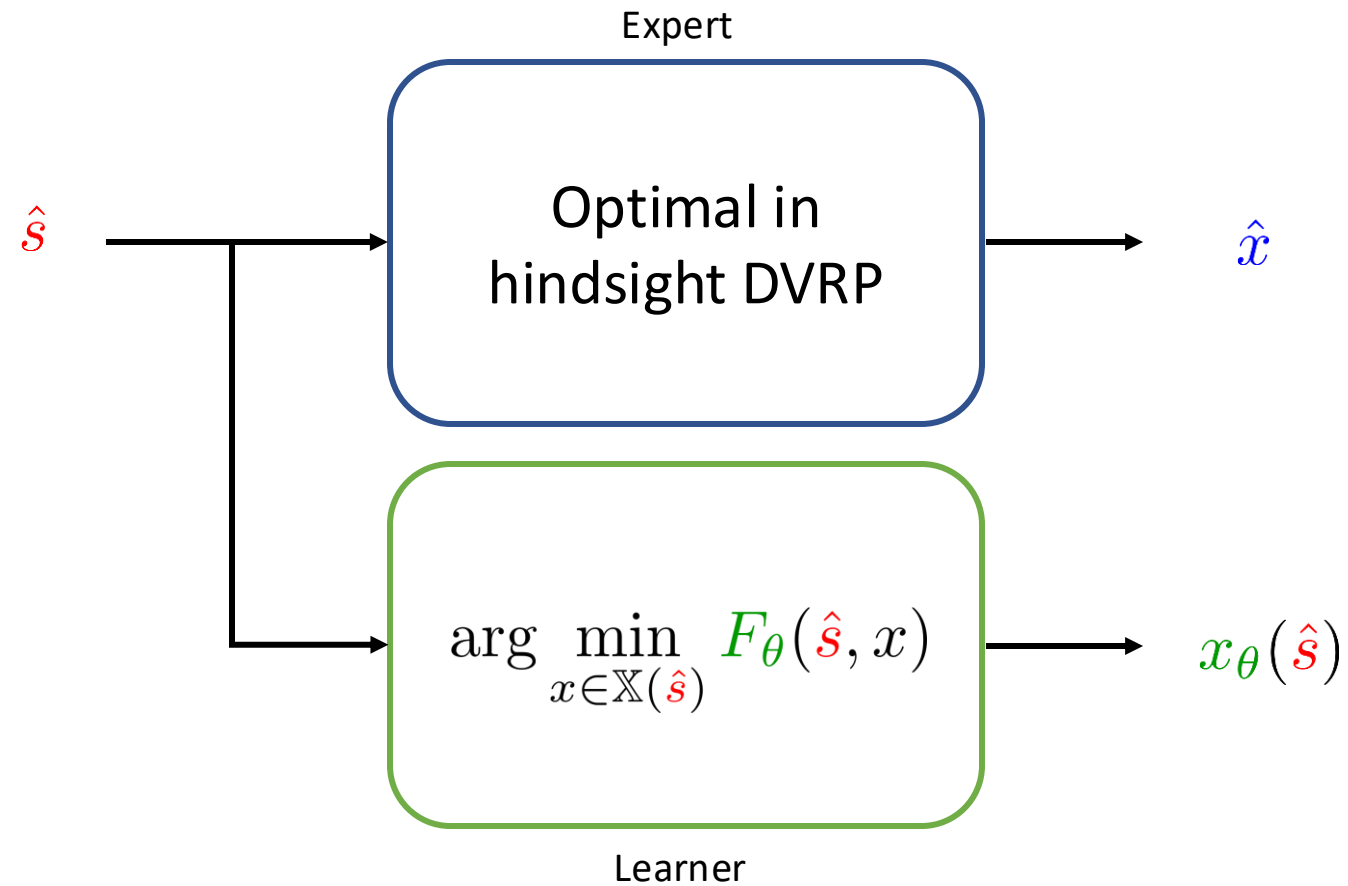
Best routes in hindsight



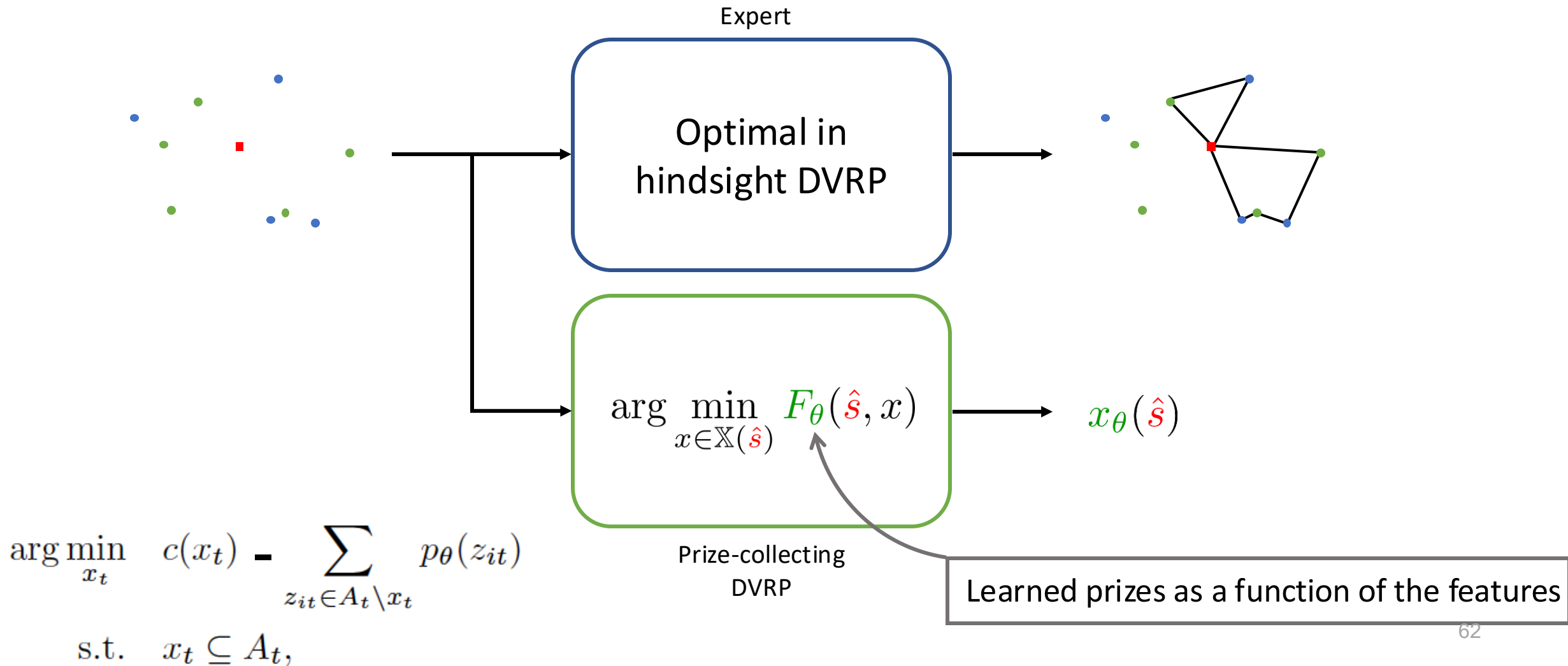
IO for Dynamic VRPS



IO for Dynamic VRPS



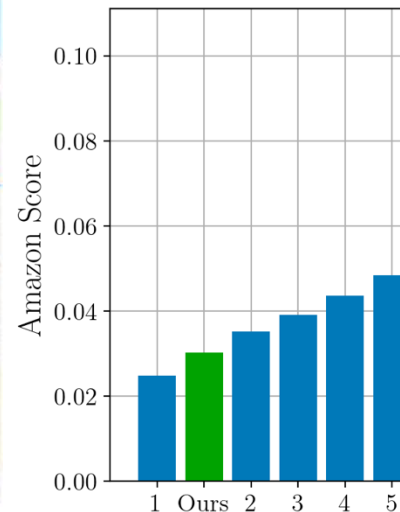
IO for Dynamic VRPS



Successful tests



Last-Mile Routing
Challenge (2021)



EURO Meets NeurIPS 2022 Vehicle Routing Competition



ORTeC

EAISI EINDHOVEN
AI SYSTEMS
INSTITUTE

TU/e

References

Generic Theory

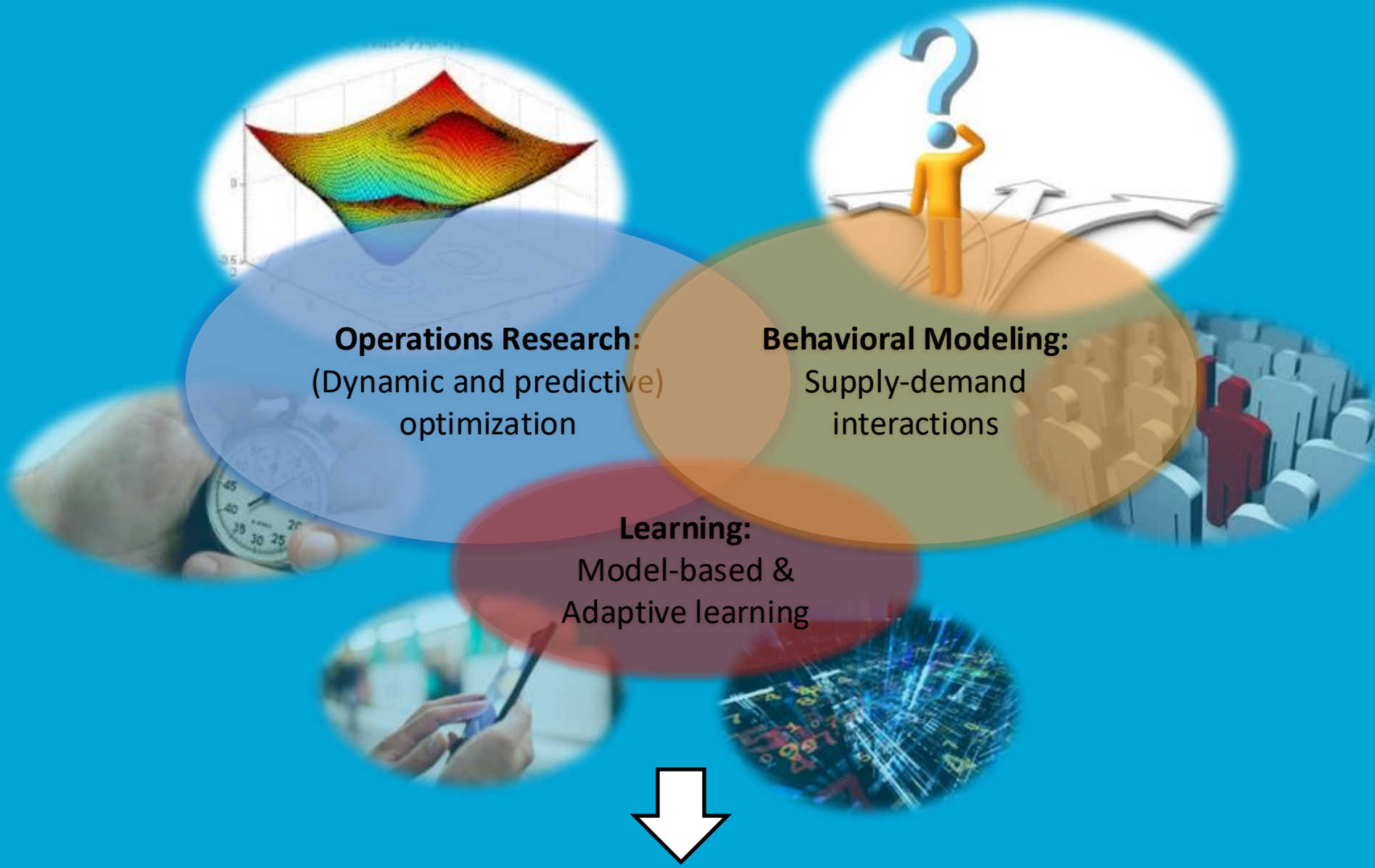
- Zattoni Scroccaro, Atasoy, and Mohajerin Esfahani, “**Learning in Inverse Optimization: Incenter Cost, Augmented Suboptimality Loss, and Algorithms**”, Published Online in Operations Research, 2024

Routing
problems

- Zattoni Scroccaro, van Beek, Mohajerin Esfahani and Atasoy (2025), “**Inverse Optimization for Routing Problems**”, Transportation Science, 59(2): 301-321.

Open-source
Python code

- Zattoni Scroccaro, “**InvOpt: Inverse Optimization with Python**”, <https://github.com/pedroszattoni/invopt>, 2023



Operations Research:
(Dynamic and predictive)
optimization

Behavioral Modeling:
Supply-demand
interactions

Learning:
Model-based &
Adaptive learning

ADAPTIVE TRANSPORTATION & LOGISTICS