**Title and Subtitle:**
Stochastic Set Partitioning Methods for Operational Planning of Aircraft

**Author(s):**
Warren B. Powell

**Performing Organization Name(s) and Address(es):**
Princeton University
Department of Operations Research and Financial Engineering
Princeton, NJ 08544

**Funding Numbers:**
F49620-93-1-0098

**Performing Organization Report Number:**
F49620-93-1-0098

**Supplementary Notes:**
Approved for Public Release, Unlimited Distribution

**Abstract:**
In the last two years, the project has focused on developing tools for representing, mathematically and in software, complex operational problems. We have developed a formal problem class called Dynamic Resource Transformation Problems which captures in a compact way a broad range of complex applications. We have developed a simulation library that captures the specific features of this problem class, in particular the ability to make decisions within the simulation. Finally, we have developed an algorithmic metastrategy that provides an effective way of solving these problems. We consider this work to be an important breakthrough in our ability to model and solve the types of operational challenges that arise in military airlift operations, as well as a variety of civilian applications such as railroads and trucking, as well as air traffic control.

**Subject Terms:**

**Number of Pages:**
8

**Price Code:**

**Security Classification of Report:**

**Security Classification of This Page:**

**Security Classification of Abstract:**

**Limitation of Abstract:**
Final Report:

Stochastic Set Partitioning Methods for Operational Planning of Aircraft

Principal Investigator:
Warren B. Powell

Grant: F49620-93-1-0098

September, 2000

Princeton University
Department of Operations Research and Financial Engineering
Princeton, NJ 08544
powell@princeton.edu
Abstract

In the last two years, the project has focused on developing tools for representing, mathematically and in software, complex operational problems. We have developed a formal problem class called Dynamic Resource Transformation Problems which captures in a compact way a broad range of complex applications. We have developed a simulation library that captures the specific features of this problem class, in particular the ability to make decisions within the simulation. Finally, we have developed an algorithmic metastrategy that provides an effective way of solving these problems.

We consider this work to be an important breakthrough in our ability to model and solve the types of operational challenges that arise in military airlift operations, as well as a variety of civilian applications such as railroads and trucking, as well as air traffic control.
1. Objectives

We are developing a new modeling environment for a broad problem class called *Dynamic Resource Transformation Problems* (or DRTP’s). Specific subtasks include:

Task 1) Development of a general representational framework that captures all the dimensions of a DRTP in a compact way.

Task 2) Development of a flexible mathematical notation that captures the structure of this class of problems. Our goal here is a simple, flexible notation that can easily reflect a broad range of complex operational issues (such as those studied by AMC using MASS) and yet still retain the structure of the problem so that we can optimize it (in contrast with MASS, which is a pure simulation).

Task 3) Development of a flexible software object library that allows us to execute the equations developed with the notation system. Our goal here is an architecture that easily handles a high level of complex operational issues yet maintains a separation between the optimization algorithm and the underlying model.

Task 4) Demonstration of our environment using the Airlift Flow Model as a demonstration.

Task 5) Design of algorithms that will produce optimal or near-optimal solutions to problems such as the AFM.

Task 6) Development of gradient estimates that will tell us what are the constraining resources at the end of a simulation.

2. Status of effort

Our progress in each of the tasks listed above:

Tasks 1 and 2) We have recently completed a representational paradigm that describes the fundamental dimensions of a DRTP, and provides an elegant mathematical representation. This model is being tested through its application, in three separate projects using different people, to a variety of operational problems.

Task 3) We have a prototype version of the simulation library. This is fully documented using a private web page, but we can provide access to any interested party.

Task 4) We have begun developing our own version of the Airlift Flow Model using data provided by AMC at Scott AFB. We do not intend our model to have all the details of the production version, but we want to have sufficient
realism for us to demonstrate proof of concept, and also to investigate new optimization strategies that could be put into the production system.

Task 5) We continue to make progress on algorithms for solving this problem class. This past year, we made progress in a particular problem class which involves stochastic, dynamic resource allocation problems in the presence of multiperiod travel times. All transportation problems exhibit multiperiod travel times, but this presents particular modeling challenges in a stochastic setting.

Task 6) We have only begun research into gradient estimates from a simulation run.

3. Accomplishments/new findings

1. **Representation of DRTP’s:** The conceptual and mathematical representation of DRTP’s has given us a powerful new vocabulary that extends optimization into a dynamic arena, and provides for optimization logic within a simulation setting.

2. **Java-based simulation library for DRTP’s:** A major result over the last several years has been the development of a new library for representing DRTP’s in software. The implementation closely follows the DRTP paradigm that we have recently completed.

3. **Dynamic programming approximations for resource allocation problems:** We have developed a new class of dynamic programming approximations for resource allocation problems based on the adaptive estimation of piecewise linear functions using the CAVE algorithm. The algorithm appears to give us optimal solutions in certain problem classes, and very good solutions in more general problems. Convergence is fast and stable.

4. **Stochastic allocation problems in the presence of multiperiod travel times:** The challenge of solving resource allocation problems under uncertainty in the presence of multiperiod travel times has been largely overlooked, and yet introduces serious errors in many settings. For example, we may allow an unimportant aircraft to occupy airbase capacity in a congested period just because it took longer to get there, and hence the decision was made farther in the future. We have developed an elegant solution that produces near-optimal results when tested in a deterministic environment (for which optimal solutions are available). Solutions are always integer.

5. **Stochastic allocation problems in the presence of multiperiod travel times:** The challenge of solving resource allocation problems under uncertainty in the presence of multiperiod travel times has been largely overlooked, and yet introduces serious errors in many settings. For example, we may allow an unimportant aircraft to occupy airbase capacity in a
congested period just because it took longer to get there, and hence the
decision was made farther in the future. We have developed an elegant
solution that produces near-optimal results when tested in a deterministic
environment (for which optimal solutions are available). Solutions are always
integer.

6. **Pattern matching behaviors in problem representation:** We are developing
a pattern-based approach for improving the acceptability of solutions without
extensive engineering. This has already proven valuable for our work with
Yellow Freight System and Norfolk Southern Railroad, and we are continuing
to use this powerful concept in our other work.

4. **Personnel supported**

Faculty:

- Professor Warren B. Powell

Research staff:

- Dr. Jack Gelfand, Senior Research Scientist

Graduate students:

- Greg Godfrey
- Joel Shapiro
- Huseyin Topaloglu
- Mike Spivey
- Katarina Papadaki

Undergraduates

- Steve Woolbert

5. **Publications (10/1/97 - 9/30/98)**

5.1. Submitted but not yet accepted:

"Network Representation, Column Generation and Branch and Bound for Parallel Machine
Scheduling with Multiple Job Families," (with Zhi-Long Chen) Submitted to Operations Research,

"Adaptive Estimation of Daily Demands with Complex Calendar Effects," submitted to


J.J. Gelfand, S.L. Epstein and W.B. Powell, “Integrating Pattern Learning in Multimodal Decision Systems,”


5.2. Accepted but not yet published:


5.3. Published:


5.4 Technical reports


6. Interactions/transitions

6.1. Participation/presentations at meetings, conferences, etc.

Invited talks:


“Management Issues in Transportation Modeling and Optimization,” Freight Transportation Short Course, Georgia Institute of Technology, Atlanta, Georgia, August, 1997.


Conferences: Numerous talks at the biannual INFORMS meetings.

6.2. Consultative and advisory functions

I regularly meet with the group at the Airlift Mobility Command, both at Scott AFB and one or twice a year at their air mobility group users meetings. We have begun developing our own version of the airlift flow module so that we can work directly with their data, and thereby better understand the specific issues they are grappling with. This simulator will allow us to try out ideas that might be implementable in the production version of the code.

6.3. Transitions

A major thrust of my research program is the development of general purpose analysis tools for dynamic resource management problems. This approach allows us to identify opportunities for applications of our developments in different arenas, although our focus is entirely on transportation problems similar to those faced by AMC.

Specific transitions that have occurred include:

1 Transition: We have applied our optimal control methodology based on our new “logistics queueing network” (LQN) formulation, to the management of their intermodal flatcar fleet.

Recipient: Norfolk Southern Railroad and Burlington Northern Sante Fe Railroad.
2. Transition: We have applied our optimal control methodology to the management of the linehaul network for LTL motor carriers. These problems involve tactical planning of over 6,000 drivers.

Recipient: Yellow Freight System, Inc.

3. Transition: We have adapted our multiattribute labeling algorithm to handle real-time load planning for truckload motor carriers.

Recipient: Burlington Motor Carriers

4. Transition: Adaptive estimation of exogenous information events. This past year we produced a major refinement of a hierarchical exogenous activity estimation system. This year (1998) it went into production to help Yellow Freight System forecast shipper activity and network performance.

Recipient: Yellow Freight System


Recipient: Air Products and Chemicals

Last year saw the first wave of transitions by Transport Dynamics which is working with technology produced by CASTLE Lab, licensed from Princeton University. Two of these transitions include:

6. Transition: Driver scheduling and capacity forecasting in a stochastic environment for a fast-response motor carrier. This system was licensed by the University to Transport Dynamics.

Recipient: Roberts Express, implemented by Transport Dynamics under license from Princeton University.

7. Transition: Dynamic load planning for less-than-truckload motor carriers

Recipient: Roadway Package System, implemented by Transport Dynamics under license from Princeton University.

7. New discoveries, inventions or patent disclosures

This fall we will make a formal disclosure of our new simulation library, developed in Java, for simulating dynamic resource transformation problems.
8. Honors/awards

Our research has produced six awards for graduate student research. Last year we learned of: