1.206J/16.77J/ESD.215J Airline Schedule Planning

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1.206J/16.77J/ESD.215J The Fleet Assignment Problem

• Outline

- Problem Definition and Objective

- -Fleet Assignment Network Representation
- Fleet Assignment Model
- Fleet Assignment Solution
 - Branch-and-bound
- Results

Airline Schedule Planning



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Problem Definition

Given:

- Flight Schedule
 - Each flight covered exactly once by one fleet type
- Number of Aircraft by Equipment Type
 - Can't assign more aircraft than are available, for each type
- -Turn Times by Fleet Type at each Station
- Other Restrictions: Maintenance, Gate, Noise, Runway, etc.
- Operating Costs, Spill and Recapture Costs, Total Potential Revenue of Flights, by Fleet Type



Problem Objective

Find:

 Cost minimizing (or profit maximizing) assignment of aircraft fleets to scheduled flights such that maintenance requirements are satisfied, conservation of flow (balance) of aircraft is achieved, and the number of aircraft used does not exceed the number available (in each fleet type)

Definitions (again)

• Spill

 passengers that are denied booking due to capacity restrictions

- Recapture
 - passengers that are recaptured back to the airline after being spilled from another flight leg
- For each fleet flight combination:
 Cost ≡ Operating cost + Spill cost

Fleet Assignment References

 Abara (1989), Daskin and Panayotopoulos (1989), Hane, Barnhart, Johnson, Marsten, Neumhauser, and Sigismondi (1995)

 Hane, et al. "The Fleet Assignment Problem, Solving a Large Integer Program," *Mathematical Programming*, Vol. 70, 2, pp. 211-232, 1995

Network Representation

- Topologically sorted time-line network
 Nodes:
 - Flight arrivals/ departures (time and space)
 - -Arcs:
 - Flight arcs: one arc for each scheduled flight
 - Ground arcs: allow aircraft to sit on the ground between flights

Time-Line Network

• Ground arcs



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Time-Line Network

"Daily" problem
Wrap-around (or overnight) arcs



Constraints

- Cover Constraints
 - Each flight must be assigned to exactly one fleet
- Balance Constraints
 - Number of aircraft of a fleet type arriving at a station must equal the number of aircraft of that fleet type departing
- Aircraft Count Constraints
 - Number of aircraft of a fleet type used cannot exceed the number available

Objective Function

For each fleet - flight combination: Cost ≡ Operating cost + Spill cost

- Operating cost associated with assigning a fleet type *k* to a flight leg *j* is relatively straightforward to compute
 - Can capture range restrictions, noise restrictions, water restrictions, etc. by assigning "infinite" costs
- Spill cost for flight leg j and fleet assignment k = average revenue per passenger on j * MAX(0, unconstrained demand for j number of seats on k)
 - Unclear how to compute revenue for flight legs, given revenue is associated with itineraries

Spill Cost Computation and Underlying Assumption

Given:

Spill cost for flight leg j and fleet assignment k = average revenue per passenger on j * MAX(0, unconstrained demand for j – number of seats on k)

Implication:

 A passenger might be spilled from some, but not all, of the flight legs in his/ her itinerary

FAM Spill Calculation Heuristics

• Fare Allocation

- Full fare the full fare is assigned to each leg of the itinerary
- Partial fare the fare divided by the number of legs is assigned to each leg of the itinerary
- Shared fare the fare divided by the number of *capacitated* legs is assigned to each *capacitated* leg in the itinerary

• Spill Cost for each variable

- Representative Fare
 - A "spill fare" is calculated; each passenger spilled results in a loss of revenue equal to the spill fare
- Integration
 - Sort each itinerary by fare, spill costs are sum of x lowest fare passengers, where x = max{0, demand capacity}

An Illustrative Example

	Fleet TypeSeatsA100B200		$X \xrightarrow{\text{flight 1}} Y \xrightarrow{\text{flight 2}} Z$		
Ν	/larket	Itinerary	Average Fare	No. of Pax	
	X-Y	1	\$200	75	
	Y-Z	2	\$225	150	
	X-Z	1-2	\$300	75	
Fleet	Assign.	Partial Alloc.	Full Alloc.	Ac	tual Opt.
Fl. 1-	F1. 2	Spill	Spill	Spill	Spilled Pax
	A-A	\$30,000	\$38,125	31,875	50 X-Z, 75 Y-Z
	A-B	\$11,250	\$15,625	12,500	25 X-Z, 25 X-Y
	B-A	\$22,500	\$28,125	28,125	125 Y-Z
	B-B	\$3,750	\$5,625	5,625	25 Y-Z
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Spill Calculation: Results

- For a 3 fleet, 226 flights problem:
 - The best representative fare solution results in a gap with the optimal solution of \$2,600/day
 - Using a shared fare scheme and integration approach, we found a solution with an \$8/day gap.
- By simply modifying the basic spill model, significant gains can be achieved



Passenger Mix

- Passenger Mix Model (PMIX)
 - Kniker (1998)
 - Given a fixed, fleeted schedule, unconstrained passenger demands by itinerary (requests), and recapture rates find maximum revenue for passengers on each flight leg



Network Effects and Recapture

FAM Notations

- Decision Variables
 - $-f_{k,i}$ equals 1 if fleet type k is assigned to flight leg i, and 0 otherwise
 - $y_{k,o,t}$ is the number of aircraft of fleet type k, on the ground at station o, and time t
- Parameters \bullet
 - $-C_{k,i}$ is the cost of assigning fleet k to flight leg i
 - $-N_k$ is the number of available aircraft of fleet type k
 - $-t_n$ is the "count time"
- Sets
 - -L is the set of all flight legs *i*
 - -K is the set of all fleet types k
 - O is the set of all stations o
 - -CL(k) is the set of all flight arcs for fleet type k crossing the count time 12/10/2003

Fleet Assignment Model (FAM)



Subject to:

 $\sum_{k \in K} \overline{f_{k,i}} = 1 \quad \forall i \in L$

$$y_{k,o,t^{-}} + \sum_{i \in I(k,o,t)} f_{k,i} - y_{k,o,t^{+}} - \sum_{i \in O(k,o,t)} f_{k,i} = 0 \quad \forall k, o, t$$

$$\sum_{o \in O} y_{k,o,t_n} + \sum_{i \in CL(k)} f_{k,i} \le N_k \quad \forall k \in K$$

 $f_{k,i} \in \{0,1\} \quad y_{k,o,t} \ge 0$

Hane et al. (1995), Abara (1989), and Jacobs, Smith and Johnson (2000)

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FAM Solution

- Exploitation of problem structure and understanding context are important
 - Node consolidation
 - Islands
- Branch-and-Bound

Time-Line Network



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Node Consolidation



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Islands

• For non-maintenance stations, the minimum number of aircraft on the ground at some point in time during the day is 0



Fleet Assignment Model and Islands (FAM)

Implications to number of ground variables and "required throughs"
– Required through: same aircraft (type) must fly a sequence of flights

Branch-and-Bound: FAM Branching Strategies

- Variable branching
 - $\operatorname{Set} x_i^k \equiv 0 \text{ or } x_i^k \equiv 1$
 - "Unbalanced" branches: $x_i^k = 0$ branch is not as effective as $x_i^k = 1$ branch
 - "Small" decisions
 - Set one variable at a time... might have to solve a number of LPs
- Special ordered set branching
 - $\operatorname{Set} x_1^{k} + x_2^{k} + \dots + x_m^{k} = 0 \text{ or } x_1^{k} + x_2^{k} + \dots + x_m^{k} = 1$
 - More "balanced" branches
 - "Larger" decisions
 - Allow LP maximal flexibility to select solution, might need to solve fewer LPs

Branch-and-Bound Termination Criteria

- Branch-and-bound finds a provable optimal solution when all branches are pruned
- Branch-and-bound can be terminated prematurely if solution time limits exist or optimality is not the objective
 - Terminate the algorithm when the lower bound on the optimal solution for a minimization problem is close enough to the incumbent IP solution
 - Stop when integrality gap is small

Solution

- Solve fleet assignment problems for large domestic carriers (10-14 fleets, 2000-3500 flights) within 10-20 minutes of computation time on workstation class computers
- Hane, et al. "The Fleet Assignment Problem, Solving a Large Integer Program," *Mathematical Programming*, Vol. 70, 2, pp. 211-232, 1995





Itinerary-Based Fleet Assignment

- Impossible to estimate airline profit exactly using link-based costs
- Enhance basic fleet assignment model to include passenger flow decision variables
 - Associate operating costs with fleet assignment variables
 - Associate revenues with passenger flow variables (PMIX)

Itinerary-based Fleet Assignment Definition

• Given

- a fixed schedule,
- number of available aircraft of different types,
- unconstrained passenger demands by itinerary, and
- recapture rates,
- Find maximum contribution



$$\begin{aligned} \text{Linerary-Based FAM (IFAM)} \\ & \mathcal{M}in \sum_{k \in K} \sum_{i \in L} \tilde{c}_{k,i} f_{k,i} + \sum_{p \in P} \sum_{r \in P} \left(fare_p - b_p^r fare_r \right) t_p^r \\ & \mathcal{S}ubject to: \qquad \sum_{k \in K} f_{k,i} = 1 \qquad \forall i \in L \\ & \mathcal{Y}_{k,o,t^-} + \sum_{i \in I(k,o,t)} f_{k,i} - \mathcal{Y}_{k,o,t^+} - \sum_{i \in O(k,o,t)} f_{k,i} = 0 \qquad \forall k, o, t \\ & \sum_{o \in O} \mathcal{Y}_{k,o,t_n} + \sum_{i \in CL(k)} f_{k,i} \leq N_k \qquad \forall k \in K \\ & \sum_{k \in K} f_{k,i} SEATS_k + \sum_{r \in P} \sum_{p \in P} \delta_i^p t_p^r - \sum_{r \in P} \sum_{p \in P} \delta_i^p b_p^r t_p^r \geq Q_i \qquad \forall i \in L \\ & \sum_{r \in P} t_p^r \leq D_p \qquad \forall p \in P \\ & t_p^r \geq 0 \qquad f_{k,i} \in \{0,1\} \quad \mathcal{Y}_{k,o,t} \geq 0 \end{aligned}$$

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Implementation Details

- Computer
 - Workstation class computer
 - 2 GB RAM
 - CPLEX 6.5
- Full size schedule
 - ~2,000 legs
 - ~76,000 itineraries
 - ~21,000 markets
 - 9 fleet types

- RMP constraint matrix size
 - − ~77,000 columns
 - ~11,000 rows
- Final size
 - ~86,000 columns
 - ~19,800 rows
- Solution time
 - LP: > 1.5 hours
 - IP: > 4 hours
- 88% Saving from Row Generation
- > 95% Saving from Column Generation

IFAM Contributions

- Annual improvements over basic FAM

 Network Effects: ~\$30 million
 Recapture: ~\$70 million
- These estimates are upper bounds on achievable improvements
- Actual improvements will be smaller







Recapture Rate Sensitivity



IFAM Sensitivity Analysis



IFAM Sensitivity Analysis



IFAM vs. FAM

Demand Stochasticity



	FAM		IFAM	Diffe	rence (IFAM-FAM)
Problem 1N-3A					
Revenue	\$ 4,858,089	\$	4,918,691	\$	60,602
Operating Cost	\$ 2,020,959	\$	2,021,300	\$	341
Contribution	\$ 2,837,130	\$	2,897,391	\$	60,261
Problem 2N-3A					
Revenue	\$ 3,526,622	\$	3,513,996	\$	(12,626)
Operating Cost	\$ 2,255,254	\$	2,234,172	\$	(21,082)
Contribution	\$ 1,271,368	\$	1,279,823	\$	8,455
					\$/day
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Demand deviation ~15%



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IFAM vs. FAM Demand Stochasticity Forecast Errors Optimal Control of Passengers

		FAM		IFAM	Differen	ce (IFAM-FAM)
From o From o netw	ur anal /ork eff ub-anc	ysis, there ects domir I-spoke fle	is e nate et as	evidence su demand u ssignment	iggestii ncertai probler	ng that nty ns.
Contribution	\$	1,246,346	\$	1,268,977	\$	22,631
						\$/day
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Another Fleet Assignment Model and Solution Approach...

Subnetwork-Based FAM

- IFAM has tractability issues
- Limited opportunities for further IFAM extension
- Need alternative kernel
 - Capture network effects
 - Maintain tractability



Basic Concept

- Isolate network effects
 - Spill occurs only on *constrained legs*



- < 30% of total legs are potentially constrained</p>
- 6% of total itineraries are potentially binding
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Modeling Challenges

• Utilize composite variables (Armacost, 2000; Barnhart, Farahat and Lohatepanont, 2001)



1	2	3	4	5	6	7	8	9
Α	Α	Α	В	В	В	С	С	С
Α	В	С	Α	В	С	Α	В	С
3 Elect Types: A. B. and C								

Challenges Efficient column enumeration

Implementation

- Partition construction
 - Construct a complete partition
 - Subdivide the complete partition
- Parsimonious column enumeration
 - Potentially constrained leg might become *unconstrained* if assigned bigger aircraft





Remove up to 97% of otherwise necessary columns

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SFAM Formulation



FAM solution algorithm applies

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Results

- 1,888 Flights
- 9 Fleet Types
- 75,484 Itineraries

Partition	Max No. of	No. of
	Flight Legs	Subnetworks
Π^1	4	2,021
Π^2	4	2,013
Π^3	4	2,001
Π^4	4	1,986
Π^{5}	4	1,972
Π^{6}	6	1,922
Π^7	6	1,920
Π^{8}	7	1,915

Partition Construction

- Allow "spill dependent" subnetworks
 - Merge spill dependent subnetworks when solution has a spill calculation error





Runtime

	Runtime (sec)						
	Preprocess	LP	IP	Total			
FAM	-	97	893	990			
$SFAM(\Pi^1)$	6	103	419	528			
$SFAM(\Pi^2)$	9	103	631	743			
$SFAM(\Pi^3)$	11	121	485	617			
$SFAM(\Pi^4)$	16	109	815	940			
$SFAM(\Pi^5)$	22	111	376	509			
SFAM(∏ ⁶)	285	153	1,495	1,933			
$SFAM(\Pi^7)$	342	203	2,480	3,025			
SFAM(∏ ⁸)	1,007	249	1,187	2,443			
IFAM	-	100	6,831	6,931			

Solution Quality

	Contribution (\$/day)	IP-LP Gap
FAM	21,178,815	36
$SFAM(\Pi^1)$	+ 48,407	2,811
$SFAM(\Pi^2)$	+ 48,928	191
SFAM(∏ ³)	+ 50,180	162
$SFAM(\Pi^4)$	+ 50,331	69
$SFAM(\Pi^5)$	+ 50,344	53
SFAM(∏ ⁶)	+ 50,333	543
$SFAM(\Pi^7)$	+ 50,241	758
SFAM(∏ ⁸)	+ 50,232	198
IFAM	+ 48,691	5,132

SFAM: Results & Conclusions

- Testing performed on full size schedules
- SFAM can achieve optimal solutions equivalent to IFAM's
- Because of formulation structure, SFAM produces tighter LP relaxations
- Tighter LP relaxations lead to quicker solution times
- SFAM has great potential for further integration or extension
 - Time windows
 - Stochastic demand
 - Schedule design

Extending Fleet Assignment Models to Include "Incremental" Schedule Design...

Airline Schedule Planning Process



Fleet Assignment with Time Windows: *A step to integrate schedule design and fleet assignment*

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Fleet Assignment with Time Windows (FAMTW)

- Assume that departure times (and arrival) times are **NOT** fixed for each flight, instead there is a *time window* for departures
 - Publication of schedule is several months out
 - Passenger forecasts won't change for minor retimings
 - Produce a better fleet assignment
 - Save money (operating costs, spill costs)
 - Free up aircraft by "tightening" the schedule

Time Window Flight Network



Figure 1: Time window flight network

The New Model

- Replace single flight arc with cluster of flight "copies"
 - Try various window widths and copy intervals
 - Maintain bank structure to ensure appropriate passenger connection times are still met
- Change cover constraints to accommodate flight copies

Modified Notations for FAMTW

- Decision Variables
 - $-f_{n,k,i}$ equals 1 if fleet type k is assigned to copy n of flight leg i, and 0 otherwise
- Parameters
 - $C_{n,k,i}$ is the assignment cost of assigning fleet k to copy *n* of flight leg *i*
- Sets

 $-N_{ki}$ is the set of all copies of flight leg *i*

$$Min \sum_{i \in L} \sum_{k \in K} \sum_{n \in N_{ki}} C_{n,k,i} f_{n,k,i}$$

$$\sum_{k \in K} \sum_{n \in N_{ki}} f_{n,k,i} = 1 \quad \forall i \in L$$

$$y_{k,o,t^{-}} + \sum_{(i,n) \in I(k,o,t)} f_{n,k,i} - y_{k,o,t^{+}} - \sum_{(i,n) \in O(k,o,t)} f_{n,k,i} = 0 \quad \forall k,o,t$$

$$\sum_{o \in O} y_{k,o,t_{n}} + \sum_{(i,n) \in CL} f_{n,k,i} \leq N_{k} \quad \forall k \in K$$

$$f_{n,k,i} \in \{0,1\}$$

$$y_{k,o,t} \geq 0$$

Network Pre-Processing To Reduce Model Size

- Node consolidation
- Redundant flight copies elimination
- Islands

Direct Solution Technique (DST)

- Branch-and-bound with Specialized Branching
- Specialized branching:

- Special ordered sets (SOS)



Iterative Solution Technique (IST) Motivation

- Not all flights need multiple flight copies, generate as needed
- Solve larger problems, perhaps more quickly than the Direct Solution Technique (DST)
- Make the problem smaller -- this may be useful if we would like to merge FAMTW with other models

Solution Analysis Time Window Width

		w i d t h = 0	width = 20	width = 40
		Daily Cost	Improvement	Improvement
	Total	28,469,066	126,553	212,873
P 1	Operation	25,792,433	16,751	243,789
	Spill	2,676,632	(37,198)	(30,916)
	Total	29,339,882	68,107	92,084
P 2	Operation	26,081,053	12,777	5,406
	Spill	3,258,829	55,330	86,678

Solution Analysis Flight Copy Interval

Improvements in optimal objective function value when using 20-minute time windows

	Interval = 20	Interval = 5	Interval = 1
P 1	122,743	126,553	126,882
P 2	67,320	67,819	67,139

Solution Analysis Re-fleeting and Re-timing

	P1-20.5	P2-20.5
# Re-fleeted	236	207
% Re-fleeted	14.56%	10.16%
# Re-timed	129	111
% Re-timed	7.96%	5.45%
Avg. time Shift	8.84 min.	8.41 min

Solution Analysis Aircraft Utilization

Do time windows allow us to save aircraft?

	TW	= 0	TW	= 20
	a/c req'd	cost	a/c req'd	cost
P 1	365	28,261,302	363	28,114,913
P 2	428	29,000,175	426	28,965,409

Free Flight

FAMTW Application to Free Flight

Data Sets

Problem	# of Fleets	# of Flights	# of Aircraft
P1	2	456	112
P2	3	1,445	299
P3	7	2,037	432
Results

	P1				P 2				P3			
		Base	M in #	M in A/C		Base	M in #	M in A/C		Base	M in #	M in A/C
	Base	w/RBT	A/C	w/ R B T	Base	w/ R B T	A/C	w/ RBT	Base	w/ R B T	A/C	w/RBT
FAM												
Cost (million \$/day)	8.23	8.21	8.23	8.22	20.15	20.12	20.15	20.14	28.96	28.89	29.00	28.96
Cost Increase (\$/day)		-21,406	-407	-15,263		-32,365	0	-6,830		-73,124	41,415	1,320
# of A ircraft saved			-				-	3			4	10
FAM TW												
Cost (million \$/day)	8.21	8.20	8.21	8.21	20.12	20.08	20.12	20.11	28.89	*	28.95	28.91
Cost Increase (\$/day)		-11,613	0	-7,043		-31,729	6,283	-8,839		-	59,807	17,097
# of Aircraft saved			-	1			1	5			9	17

* Did not reach solution.

Conclusions

- Time windows can provide significant cost savings, as well as a potential for freeing aircraft
- Good run times for DST, especially because copies need not be placed at a fine interval
- IST provides problem size "capacity" so that FAMTW may be enhanced, integrated with other models, etc.
- Applications: Don't underestimate value of modeling