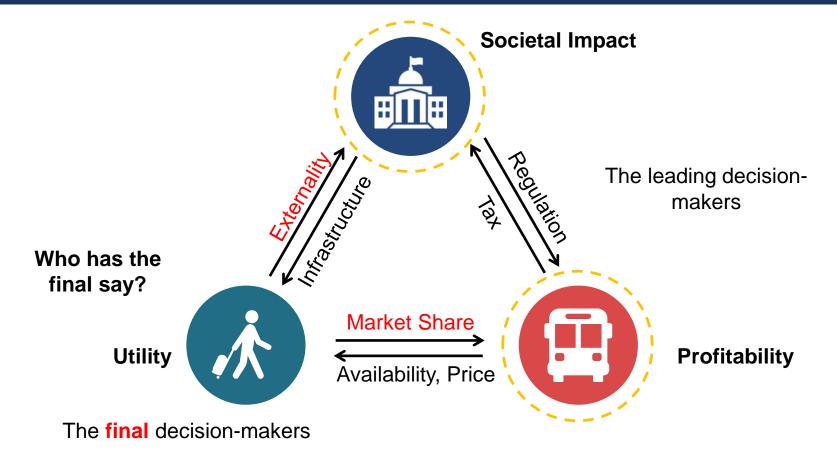


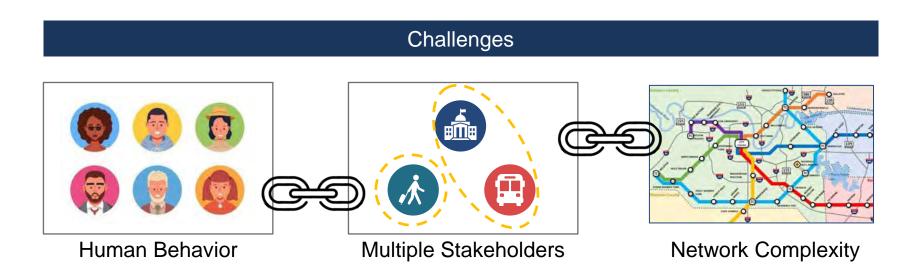
Strategic Decision-Making in Smart Mobility Networks Integrating Supply and Demand

Youngseo Kim Assistant Professor, UCLA CEE

Complexity from Interactions among Multiple Stakeholders



Toward Smart Mobility that is Good for All

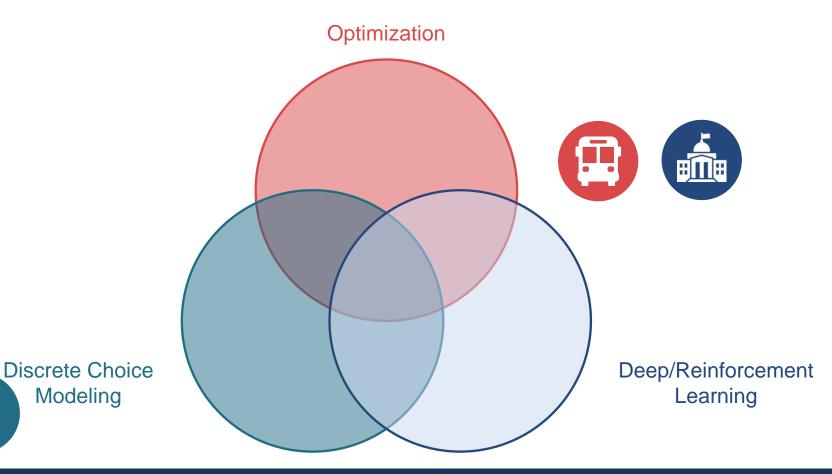


Challenge 1: Innovative smart mobility involves transformative changes in human behavior.

Challenge 2: Strategic interactions among multiple stakeholders.

Challenge 3: Network complexity makes system-level decision-making challenging.

Research Tools



Organization of the Talk

Long term Short term Real-time **Tactical Policy** Long-term Operation Development **Planning**

[YK et al., TR part C, in revision]

[YK et al., TCNS, 2025]

[YK et al., TR part B, in revision]

Area 1: Operational Efficiency of Mobility-on-Demand

Real-time Operation

[YK et al., TR part C, in revision]

On-demand Pooling Services

Ride-pooling



Uber blog

Microtransit



American Public Transportation Association

Benefits: (1) Reducing vehicle miles traveled and (2) complementing fixed-line transit

Pilot Operation in Real Cities















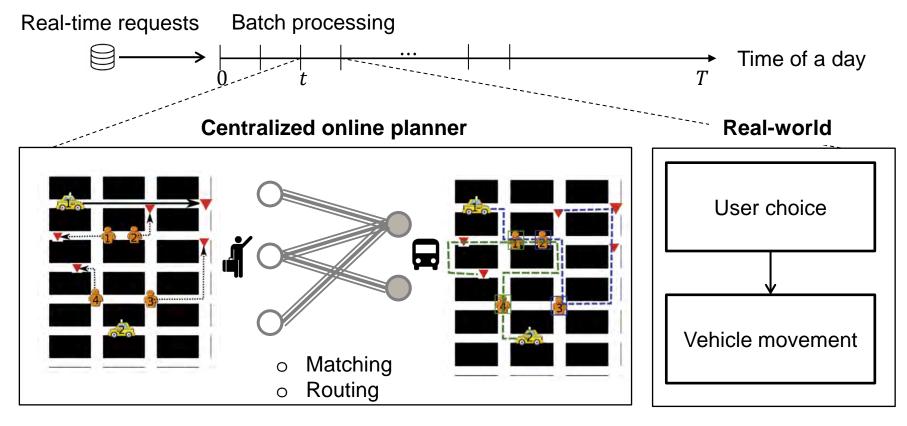
Microtransit to transit hubs City of Kent in King County, WA



Paratransit Chattanooga area, TN

Efficient operation algorithms for on-demand pooling is key to successful adoption.

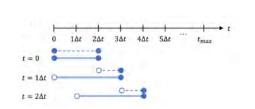
Vehicle Scheduling Engine

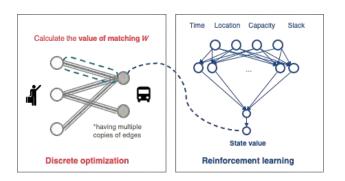


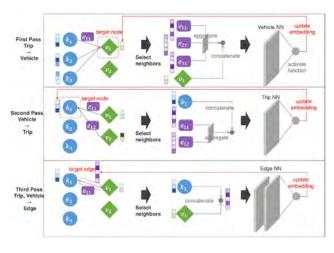
[Alonso-Mora et al., 2017]

Vehicle Scheduling Algorithm for Operational Efficiency

Operations Research + Computer Science







Control Technique

To solve **day-ahead** scheduling problem





[YK et al., 2023, AAAI]

Reinforcement Learning

To overcome the **myopic** nature of real-time decision-making



[YK et al., TR part C, in revision]

Deep Learning

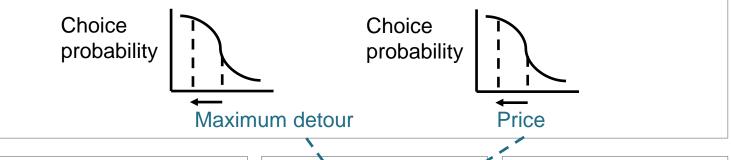
To solve optimization **faster** by learning from distribution



[YK et al., TRISTAN, 2025]

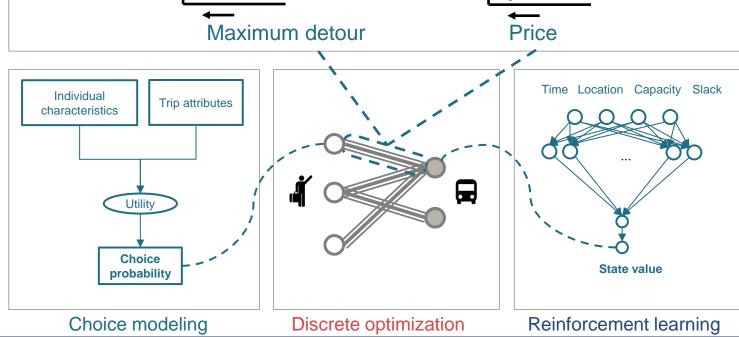
Future: System-level Decision with Individual-level Analysis







System level



11

Area 3: Travel Demand Modeling for Infrastructure Planning

Real-time Operation Tactical Policy Development

Long-term Planning













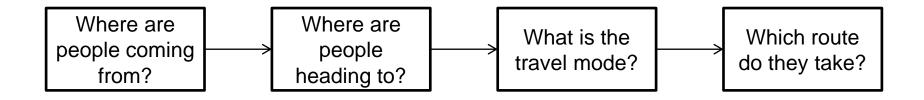




[YK et al., TR part B, in revision]

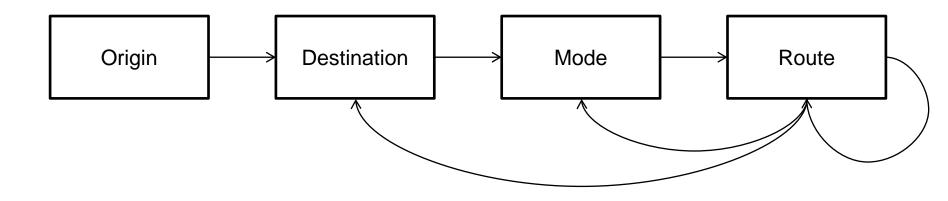
What is Travel Demand Modeling?

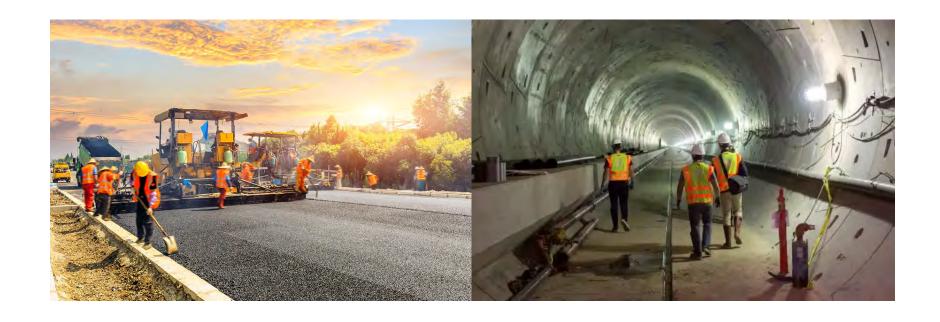
To fully understand **travel demand patterns** in the city network



What is Travel Demand Modeling?

To fully understand **travel demand patterns** in the city network

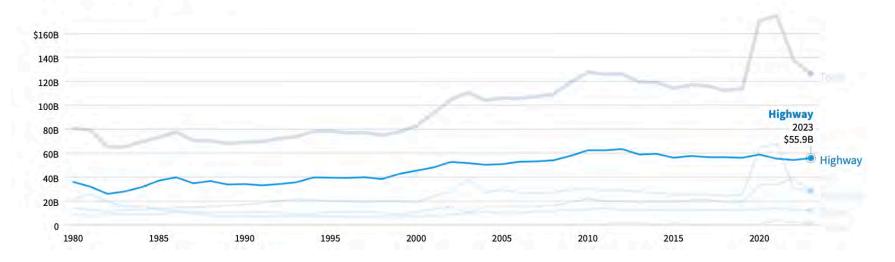




Evaluating the **benefit-to-cost ratio** for large-scale infrastructure projects

Federal infrastructure and transportation spending

Adjusted for inflation (FY 2023 dollars)

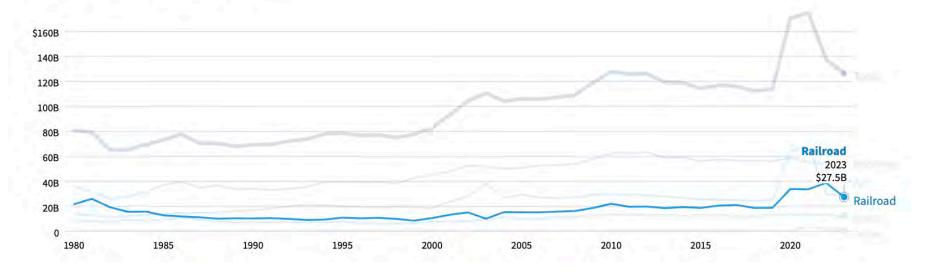


The US federal government spend \$55.9B on highway construction in 2023.

source

Federal infrastructure and transportation spending

Adjusted for inflation (FY 2023 dollars)



The US federal government spend \$27.5B on rail and mass transit construction in 2023.

Under-estimation





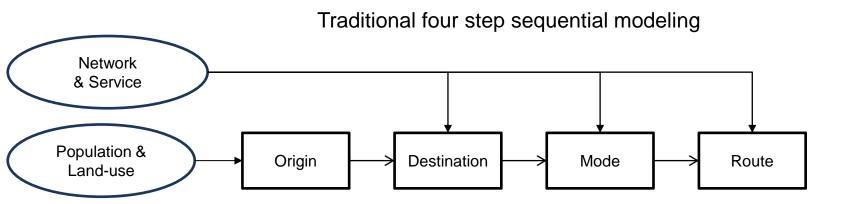
Travelers' dissatisfaction

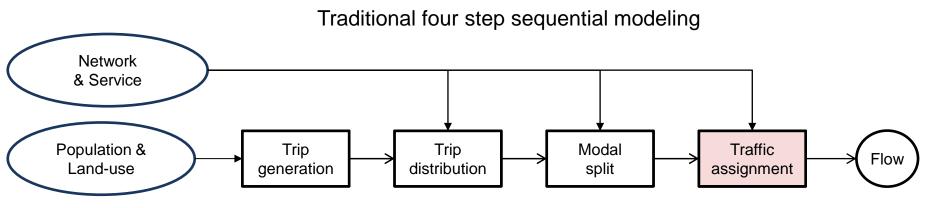
Over-estimation



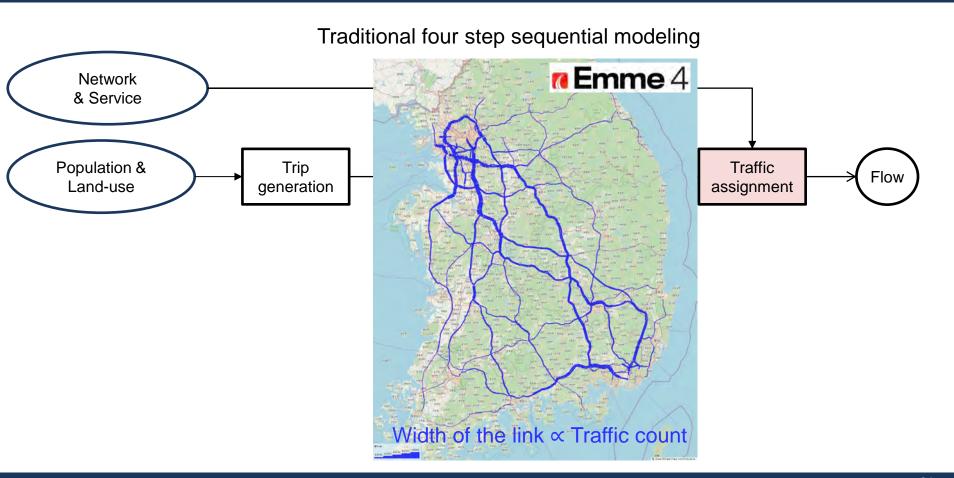


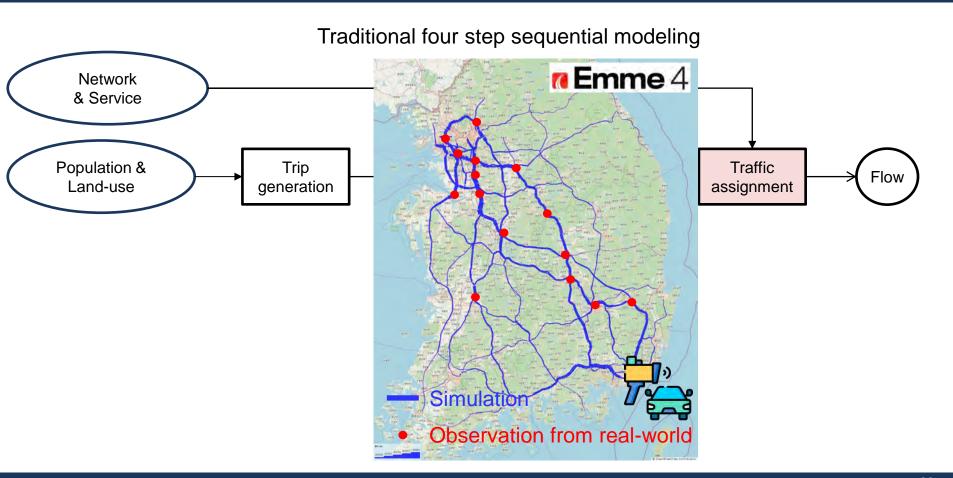
Wasted government spending

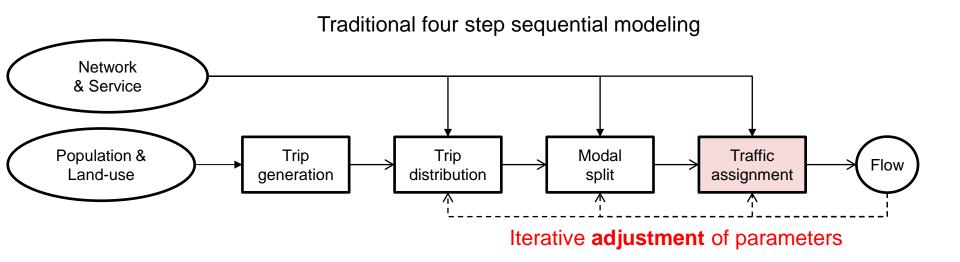




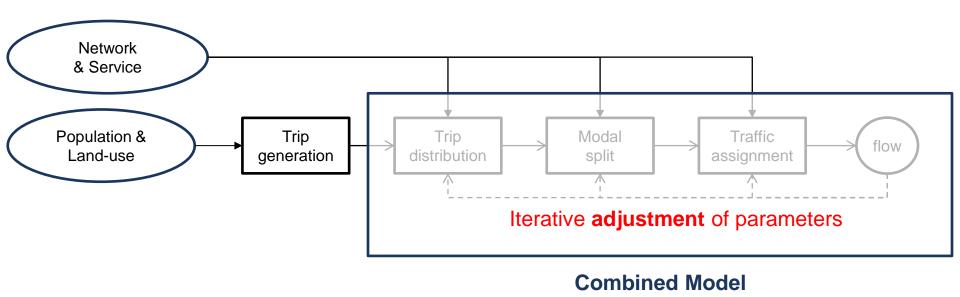
Link traffic count





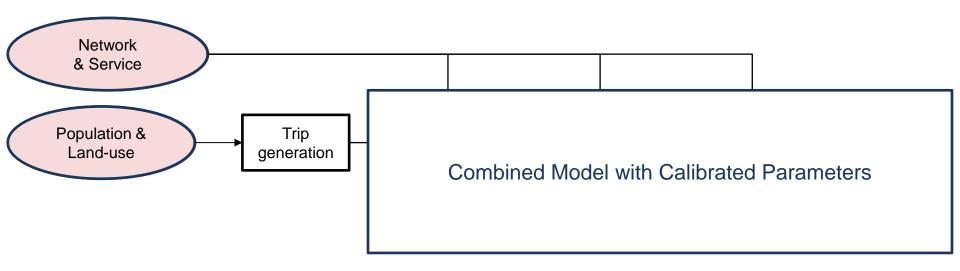


Combined Model for One-Shot Calibration



Our model provides more **robust** parameter estimates with **automated** calibration.

Combined Model for One-Shot Calibration

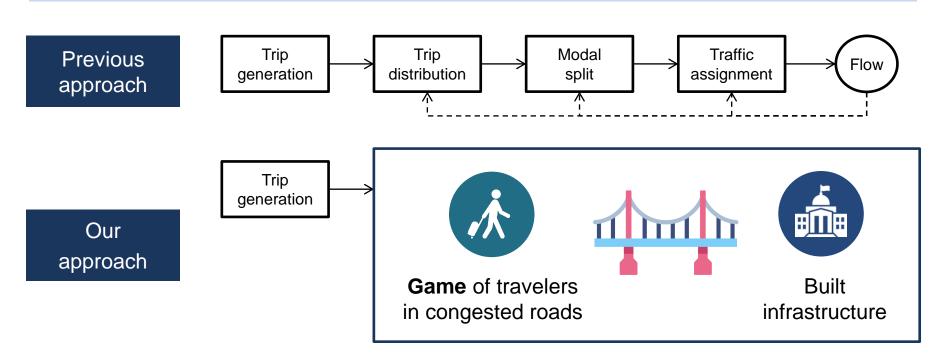


To predict **future** travel patterns after ...

- o construction
- adopting innovative mobility services
- o changes in demographics

Novelty

Contribution: First model to incorporate parameter calibration in a convex program.



Our integrated model connects **urban planning** with analysis of **mobility patterns**.

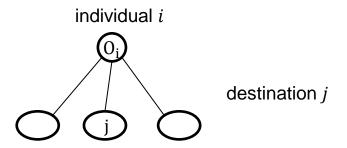
individual i

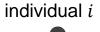






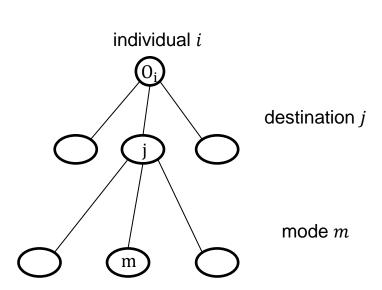








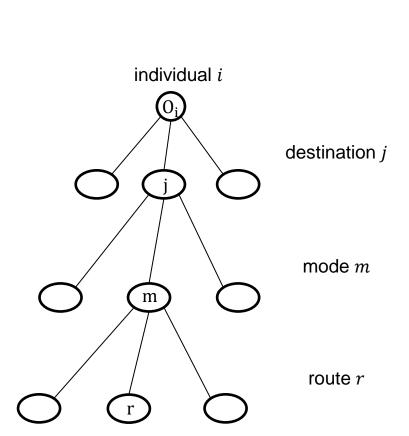


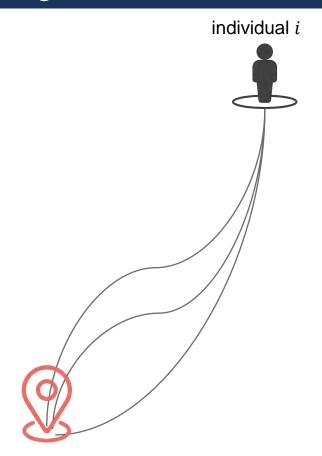


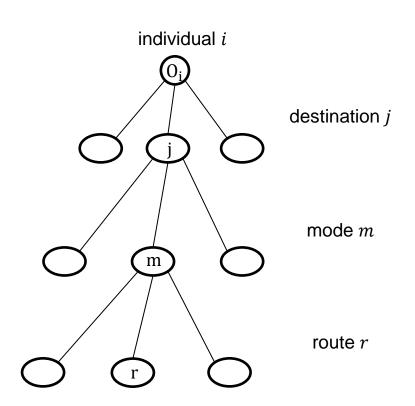


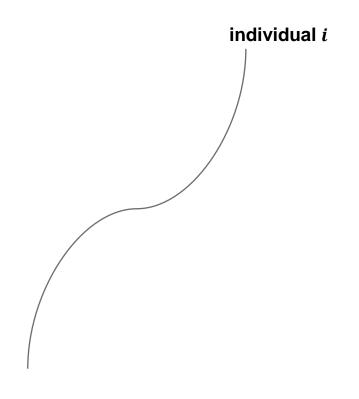




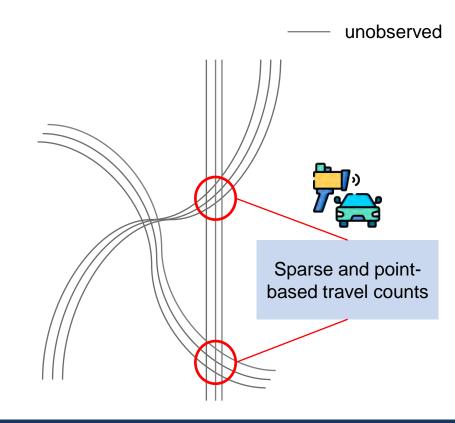




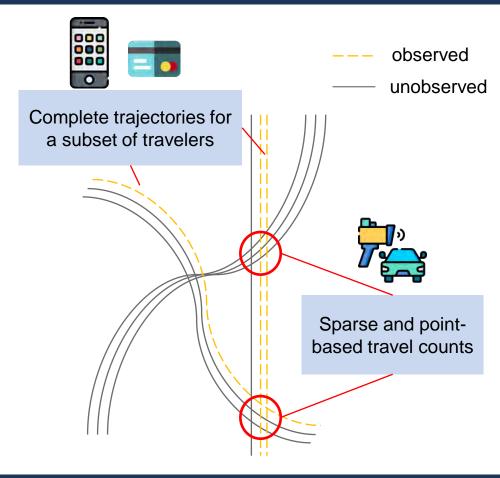




Challenges: Incomplete Observation

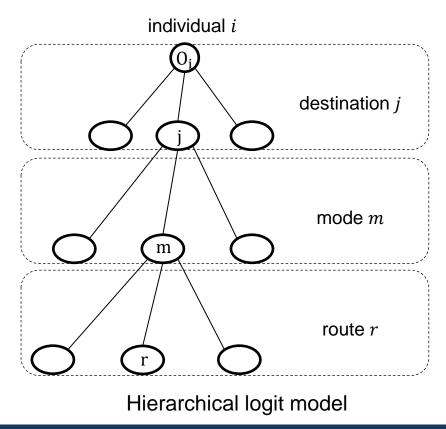


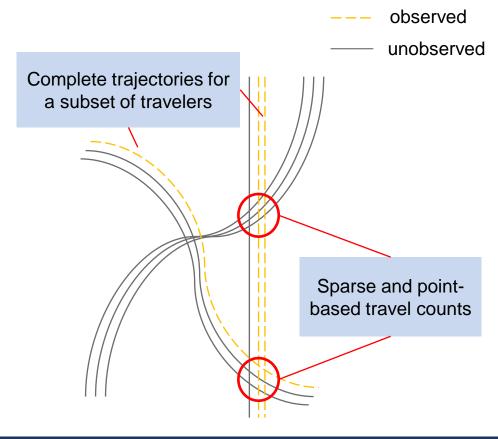
Challenges: Incomplete Observation



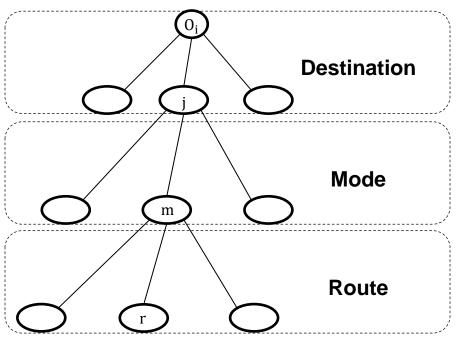
Complement Incomplete Observations with Theory-driven Model

Parametric, aggregated models





Hierarchical logit model



Multinomial logit model (Standard gravity model)

Nested logit model (Correlation among modes)

Path size logit model (Route overlapping)

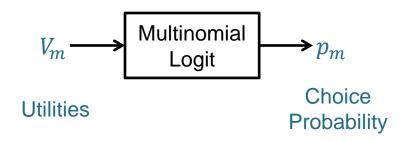
We incorporate **flexible** choice models with **rich behavioral details**.

Solution Approach: Entropy Maximization Principle

Multinomial Logit

$$p_m = \frac{e^{V_m}}{\sum_{m' \in \mathcal{M}} e^{V_{m'}}}, \forall m$$

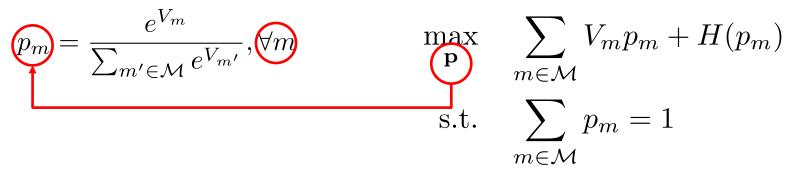
Non-linear constraints cause intractability in optimization problem

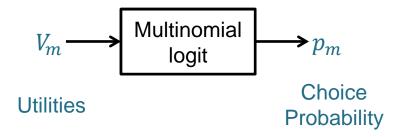


[Mogens Fosgerau et al., 2020]

Multinomial Logit

Entropy Maximization





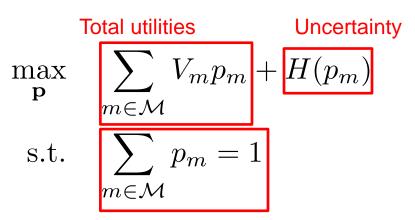
[Mogens Fosgerau et al., 2020]

Multinomial Logit

$$p_m = \frac{e^{V_m}}{\sum_{m' \in \mathcal{M}} e^{V_{m'}}}, \forall m$$

- Travelers maximize utilities
- Error term follows Gumbel distribution

Entropy Maximization



Probabilities are summed up to 1

[Mogens Fosgerau et al., 2020]

Multinomial Logit

$$p_m = \frac{e^{V_m}}{\sum_{m' \in \mathcal{M}} e^{V_{m'}}}, \forall m$$

Entropy Maximization

Uncertainty

$$\max_{\mathbf{p}} \sum_{m \in \mathcal{M}} V_m p_m + H(p_m)$$
s.t.
$$\sum_{m \in \mathcal{M}} p_m = 1$$

Proven to be a **convex** program

"Entropy" can be interpretable as (1) value of **choice variety** and (2) **information cost**.

[Mogens Fosgerau et al., 2020]

Advantages of Convex Programming

Existence of Solution and **Global Optimality**

Tractability

(e.g., Gradient Descent, Interior-point Methods)

Multinomial Logit

$$p_m = \frac{e^{V_m}}{\sum_{m' \in \mathcal{M}} e^{V_{m'}}}, \forall m$$

Entropy Maximization

$$\max_{\mathbf{p}} \sum_{m \in \mathcal{M}} V_m p_m + H(p_m)$$
s.t.
$$\sum_{m \in \mathcal{M}} p_m = 1$$

The transformation allows the **integration** of **discrete choice modeling** into **optimization**.

Two Stage Approach: Estimate and then Predict

Estimating Parameters and **Reconstructing** Current Travel Pattern

PredictingFuture Travel Pattern

Two Stage Approach: Estimate and then Predict

Stage 1: Estimate

$\max \quad H_{\text{MNL}}(\mathbf{p}_{\mathcal{J}|\mathcal{I}}) + H_{\text{NL}}(\mathbf{p}_{\mathcal{M}|\mathcal{I}\mathcal{J}}) + H_{\text{PSL}}(\mathbf{p}_{\mathcal{R}|\mathcal{I}\mathcal{J}\mathcal{M}})$ $-\frac{1}{\widehat{T}} \sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{m \in \mathcal{M}, r \in \mathcal{R}} \sum_{a \in \mathcal{A}_{ijmr}} \int_{0}^{f_a^m} g_a^m(w) dw$ s.t. $H_{\text{MNL}}(\mathbf{p}_{\mathcal{T},\mathcal{T}}|\widehat{\mathbf{p}}_{\mathcal{I}}) \ge H_{\text{MNL}}(\widehat{\mathbf{p}}_{\mathcal{T},\mathcal{T}}|\widehat{\mathbf{p}}_{\mathcal{I}})$ $H_{\mathrm{NL}_{1}}(\mathbf{p}_{\mathcal{I}\mathcal{J}\Pi(\mathcal{M})}|\mathbf{p}_{\mathcal{I}\mathcal{J}}) \geq H_{\mathrm{NL}_{1}}(\widehat{\mathbf{p}}_{\mathcal{I}\mathcal{J}\Pi(\mathcal{M})}|\widehat{\mathbf{p}}_{\mathcal{I}\mathcal{J}})$ $H_{\mathrm{NL}_{\mathcal{N}}}(\mathbf{p}_{\mathcal{I}\mathcal{J}\mathcal{M}}|\mathbf{p}_{\mathcal{I}\mathcal{J}\mathcal{N}}) \geq H_{\mathrm{NL}_{\mathcal{N}}}(\widehat{\mathbf{p}}_{\mathcal{I}\mathcal{J}\mathcal{M}}|\widehat{\mathbf{p}}_{\mathcal{I}\mathcal{J}\mathcal{N}}) \hspace{1cm}, \forall \mathcal{N} \in \Pi(\mathcal{M}) \hspace{0.3cm} [-1 + \frac{\tau_{\mathcal{N}}}{\theta_{\mathrm{model}}}]$ $\sum_{i \in \mathcal{I}, j \in \mathcal{J}} p_{ij} \widehat{X}_{ij}^k = \sum_{i \in \mathcal{I}, j \in \mathcal{J}} \widehat{p}_{ij} \widehat{X}_{ij}^k$ $, \forall k \in \mathcal{K} \quad [\beta_k]$ $\sum_{\mathcal{I},j\in\mathcal{J}}\sum_{m\in\mathcal{M}}p_{ijm}\widehat{X}_{ijm}^q = \sum_{i\in\mathcal{I},j\in\mathcal{J}}\sum_{m\in\mathcal{M}}\widehat{p}_{ijm}\widehat{X}_{ijm}^q \qquad , \forall q\in\mathcal{Q} \quad [\beta_q]$ $i \in \mathcal{I}, j \in \mathcal{J} \ m \in \mathcal{M}$

Stage 2: Predict

$$\max_{\mathcal{P}} \sum_{i \in \mathcal{I}, j \in \mathcal{J}} p_{ij} V_{ij}(\widehat{\beta}_{k}, \widehat{X}_{ij}^{k}) + \sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{m \in \mathcal{M}} p_{ijm} V_{ijm}(\widehat{\beta}_{q}, \widehat{X}_{ijm}^{q}) \\
+ \frac{1}{\widehat{\theta}_{dest}} H_{MNL}(\mathbf{p}_{\mathcal{J}|\mathcal{I}}) \\
+ \frac{1}{\widehat{\theta}_{mode}} H_{NL}(\mathbf{p}_{\mathcal{M}|\mathcal{I}\mathcal{J}}) \\
+ H_{PSL}(\mathbf{p}_{\mathcal{R}|\mathcal{I}\mathcal{J}\mathcal{M}}) \\
- \frac{\widehat{\lambda}}{\widehat{N}} \sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{m \in \mathcal{M}, r \in \mathcal{R}} \sum_{a \in \mathcal{A}_{ijmr}} \int_{0}^{f_{a}^{m}} g_{a}^{m}(w) dw$$

Objective Function

 $\max_{p_{ijmr}}$

Entropy Functions
Uncertainty of choice



Beckmann Equation **Traffic Equilibrium**

Objective Function

$$\max_{p_{ijmr}}$$

$$oxed{H_{ ext{NNL}}(\mathbf{p}_{\mathcal{J}|\mathcal{I}}) + H_{ ext{NL}}(\mathbf{p}_{\mathcal{M}|\mathcal{I}\mathcal{J}}) + H_{ ext{PSL}}(\mathbf{p}_{\mathcal{R}|\mathcal{I}\mathcal{J}\mathcal{M}})}$$

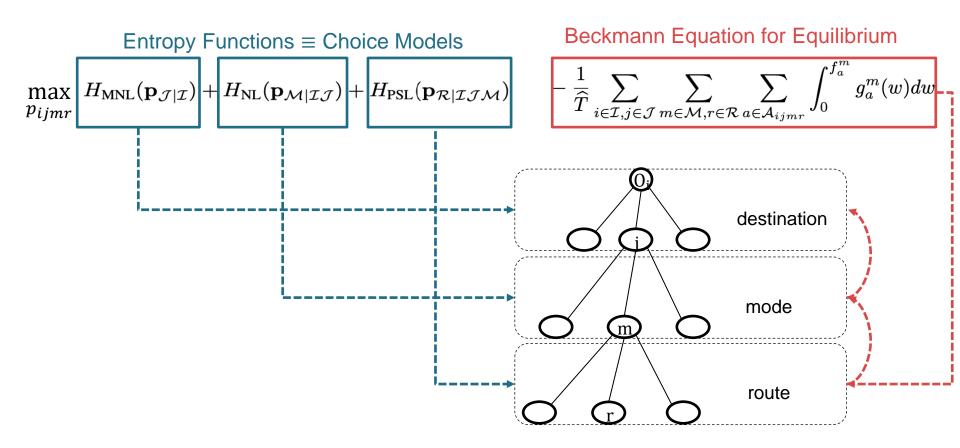
 p_{iimr} **Probability** (Travel patterns)

Entropy Functions

$$-\frac{1}{\widehat{T}}\sum_{i\in\mathcal{I},j\in\mathcal{J}}\sum_{m\in\mathcal{M},r\in\mathcal{R}}\sum_{a\in\mathcal{A}_{ijmr}}\int_{0}^{f_{a}^{m}}g_{a}^{m}(w)dw \qquad \begin{array}{c}f_{a}^{m}\\ \text{Traffic count}\\ \text{(# of cars)}\end{array}$$

Beckmann Equation

Objective Function Links Choice Models and User Equilibrium



Tractable Convex Programming

 $\max_{p_{ijmr}}$

Entropy + Beckmann

Travel Pattern Matches with Observations

Conditional entropies

(Uncertainty in predicting behavior)

Momentum matching

(Movement of a population)

Tractable Convex Programming

Theorem 1

The first stage model is a convex program

 $\max_{p_{ijmr}}$

Entropy + Beckmann

Convex objective function





Travel Pattern Matches with Observations

Conditional entropies

(**Uncertainty** in predicting behavior)

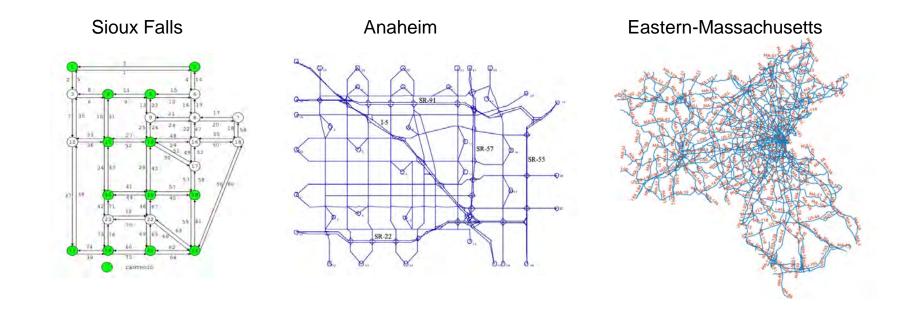
Convex inequality constraints

Momentum matching

(Movement of a population)

Linear equality constraints

Benchmark Networks



Benchmark Networks

	# of Nodes	# of Links	# of ODs	# of Routes	Time to Build	Solution
	# 01 Nodes	# OI LIIKS	# OI ODS	# of Routes	Model (sec)	Time (sec)
SiouxFalls	24	76	528	644	11.0	0.7
EMA	74	258	1,113	1,797	14.4	1.3
Berlin Friedrichshain	224	523	506	656	16.6	0.7
Berlin Mitte	398	871	1,260	1,706	18.0	0.9
Anaheim	416	914	1,406	2,700	55.4	3.7
Barcelona	1,020	2,522	7,922	16,570	583.9	18.8
Winnipeg	1,057	2,535	4,345	8,000	294.5	16.2
Munich	742	1,872	67,122	108,012	2608.2	115.6
Chicago Sketch	933	2,950	93,513	225,507	1799.6	123.1

One-Shot Approach for Calibration

Theorem 2

The optimal primal and dual solutions satisfy the hierarchical logit model.

Primal

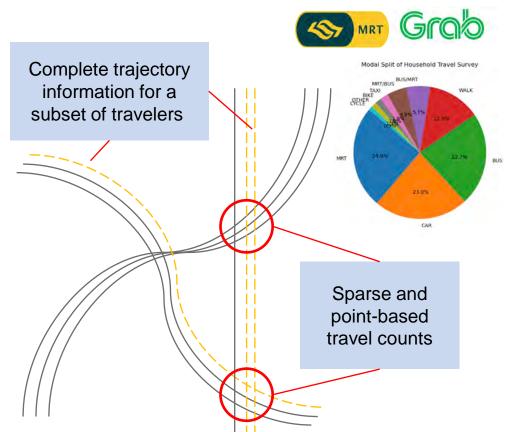
→ Travel equilibrium

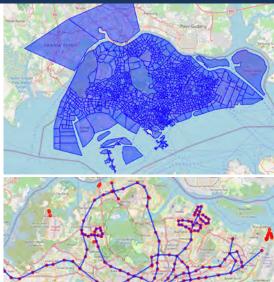
Dual

→ Parameter estimation

The dual problem resembles maximum likelihood estimation but uniquely incorporates constraints for observations.

Future: Deployment in the Real-world





- Cell phone location
- Smart card
- Taxi data
- Household travel survey



Acknowledgements



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Vindula Jayawardana MIT



Gioele Zardini MIT



Soroosh Shafiee Cornell University



Hins Hu Cornell University



THE ROUTING **COMPANY**



Dong-Kyu Kim SNU



Eui-Jin Kim Aiou University



Sunghoon Jang Hong Kong Polytechnic



Damon Wischik Cambridge University



Prateek Bansal NUS



Cornell University



King County **METRO**



Cathy Wu MIT



Sirui Li MIT



Wenbin Ouyang MIT



Abhishek Dubey Vanderbilt University



Michael Wilbur Vanderbilt University



Sophie Pavia Vanderbilt University



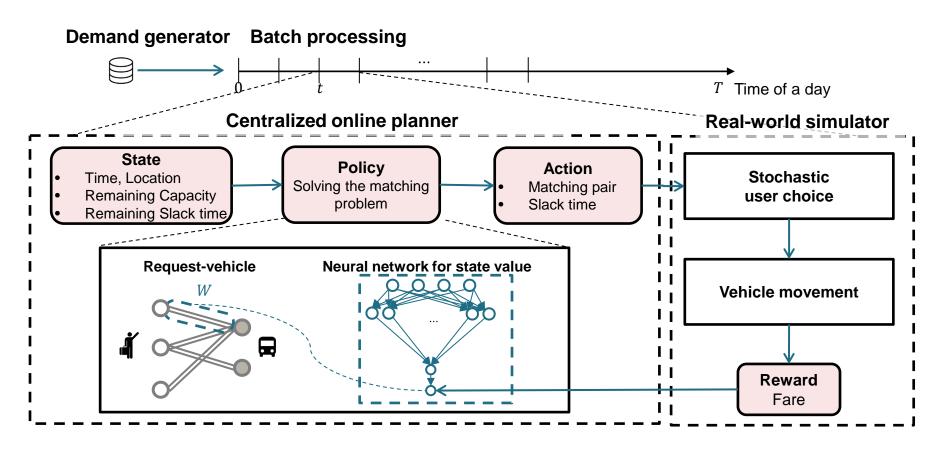




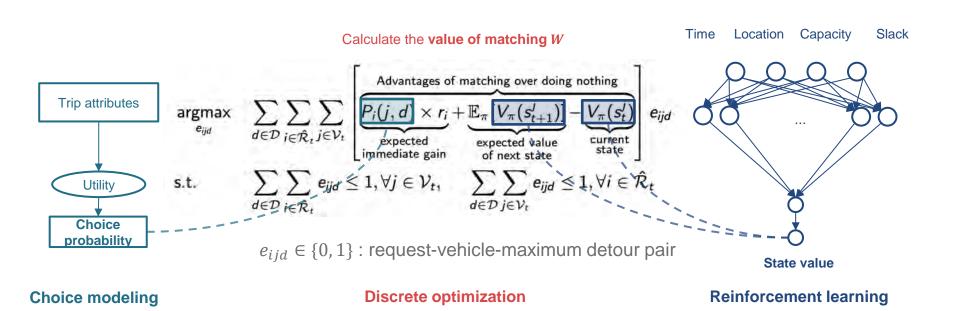




Appendix: Markov Decision Process



Appendix A1. Formulation for Matching Problem



Appendix A2. Problem Complexity

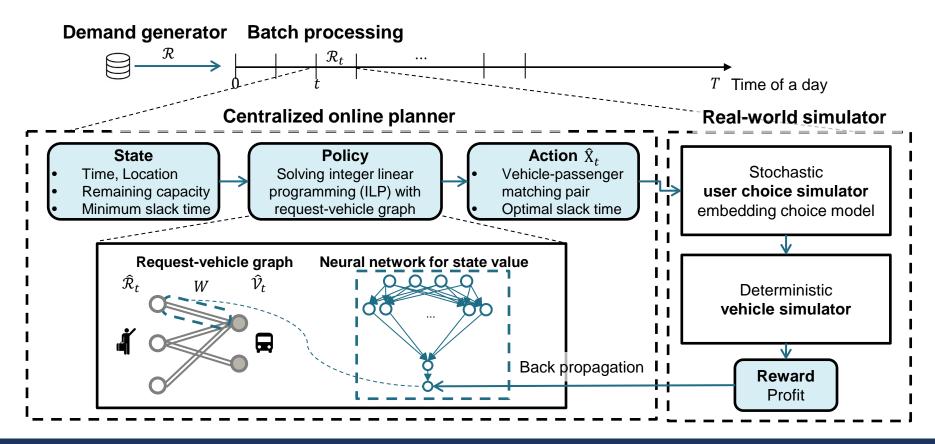
Scale in New York City

- ✓ 220,000 880,000 requests per day
- ✓ 100 300 requests per batch
- ✓ 1,000 3,000 vehicles
- √ Vehicle capacities 1 10

Effectiveness of algorithm

- \checkmark The number of requests n
- \checkmark The number of vehicles m
- ✓ Vehicle capacity c
- ✓ The number of variables: $O(mn^c)$ but much lower in practice
- ✓ The number of constraints: O(n + m)

Appendix A3. Reinforcement Learning



Appendix A4. Choice Model

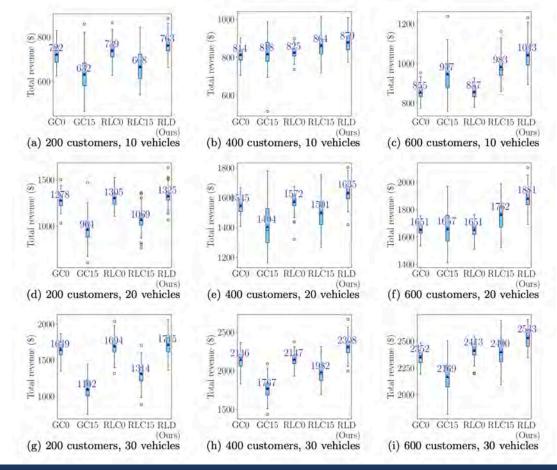
Binary choice model to measure the willingness to adopt a service

$$P_{i} = P(U_{i}^{pooling} \geq U_{i}^{taxi}) = P(V_{i}^{pooling} - V_{i}^{taxi} \geq \varepsilon)$$

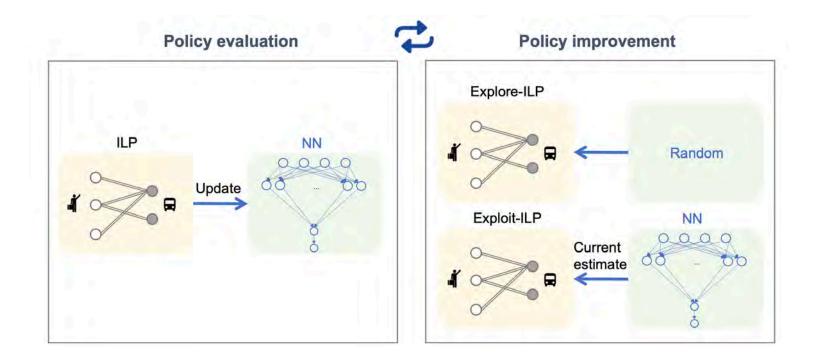
$$= \frac{\exp((t_{i}^{pooling} - t_{i}^{taxi})\beta^{vot} + (r_{i}^{pooling} - r_{i}^{taxi}))}{1 + \exp((t_{i}^{pooling} - t_{i}^{taxi})\beta^{vot} + (r_{i}^{pooling} - r_{i}^{taxi}))}$$

$$y_{i} = \begin{cases} 1 & \text{with probability } P_{i} \\ 0 & \text{with probability } P_{i} - 1 \end{cases}$$

Appendix A5. Experiment Results

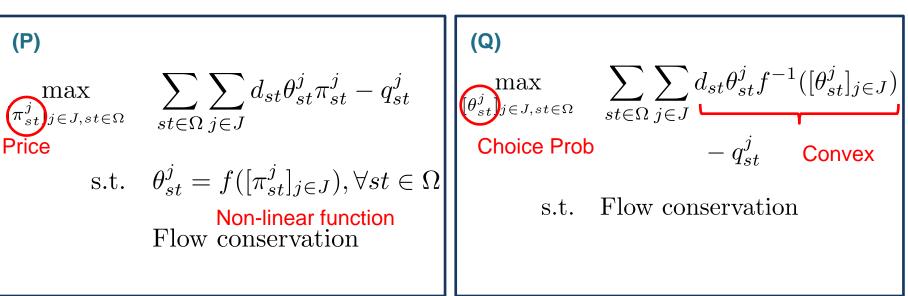


Appendix A6. Policy Iteration



Appendix B1. Equivalent Transformation

$$\max_{\substack{\pi_{st}^j \\ j \in J, st \in \Omega}} \sum_{st \in \Omega} \sum_{j \in J} d_{st} \theta_{st}^j \pi_{st}^j - q_{st}^j$$
 Price
$$\mathrm{s.t.} \quad \theta_{st}^j = f([\pi_{st}^j]_{j \in J}), \forall st \in \Omega$$
 Non-linear function Flow conservation



Decision variables

 π_{st}^{J} : Price of mode j from st pair

 θ_{st}^{j} : Probability of traveler in st pair choosing mode j

Appendix B2. Convex Program

The equivalent problem is a convex program

$$(Q) = \min_{\theta_{st}^{j}, z_{r,st}^{j}, y_{a,st}^{j}} \sum_{s,t \in N} \sum_{j \in J} \left(\frac{d_{st}}{p} \left[\underbrace{\theta_{st}^{j} \left(-ASC_{st}^{j} + T_{st}^{j} + V_{st}^{n} \right)}_{(A)_{st}^{j}} + \sum_{r \in \mathcal{R}_{st}} \sum_{a \in A} z_{r,st}^{j} F_{a}(f_{a}) \delta_{ar} \right] \right.$$

$$\left. + \underbrace{\theta_{st}^{j} \ln \theta_{st}^{j}}_{(B)_{st}^{j}} - \underbrace{\theta_{st}^{j} \ln \left(1 - \sum_{j' \in J} \theta_{st}^{j'} \right)}_{(C)_{st}^{j}} \right]$$

$$\left. + \sum_{a \in A} [G_{a}(f_{a}) + c_{a}^{j}] y_{a,st}^{j} \right)$$

$$\underbrace{\left(CC_{st}^{j} + CC_{st}^{j} \right)}_{(D)_{st}^{j}} \right]$$

Convex objective function

$$\begin{split} \text{subject to} \\ & [o_{st}^j]: \sum_{r \in \mathcal{R}_{st}} z_{r,st}^j = \theta_{st}^j \quad \forall j \in J \ \forall s,t \in N \\ & [m_{st}]: \sum_{j \in J} \theta_{st}^j \leq 1 \quad \forall s,t \in N \\ & [\alpha_{a,st}^j]: \sum_{r \in \mathcal{R}_{st}} d_{st} \delta_{ar} z_{r,st}^j \leq y_{a,st}^j \\ & \quad \forall a \in A \ \forall j \in J \ \forall s,t \in N \\ & \quad f_a = \sum_{s,t \in N} \sum_{j \in J} y_{a,st}^j \quad \forall a \in A \\ & [\beta_u^j]: \sum_{a \in \delta^+(u)} \sum_{s,t \in N} y_{a,st}^j = \sum_{a \in \delta^-(u)} \sum_{s,t \in N} y_{a,st}^j \\ & \quad \forall u \in N \ \forall j \in J \\ & [\rho_{r,st}^j]: z_{r,st}^j \geq 0 \quad \forall j \in J \ \forall s,t \in N \ \forall r \in \mathcal{R}_{st} \\ & \quad \theta_{st}^j \ free \quad \forall j \in J \ \forall s,t \in N \\ & \quad y_{a,st}^j \ free \quad \forall a \in A \ \forall j \in J \ \forall s,t \in N. \end{split}$$

Linear constraints

Appendix C1. Literature for Convex Combine Models

	Trip generation	Trip distribution (Gravity model)	Modal split (Multinomial logit model)	Traffic assignment (Wardrop user equilibrium)		
Framework	Utility	Entropy	Satisfaction	Beckmann		
Wilson (10) Anas (14) Beckmann et al. (15)		0	0	0		
Evans (16)		0		0		
Florian et al. (17)		Ö		Ö		
Oppenheim (18)		Ō		Ō		
Florian (19)			O	O		
Abdulaal and LeBlanc (20)			O	O		
Fernández et al. (21)			O	O		
García and Marín (22)			О	O		
Florian and Nguyen (23)		О	O	O		
Friesz (24)		О	O	O		
Safwat and Magnanti (25)	O	Ο	O	O		
Framework	Utility maximization					
Oppenheim et al. (5)	0	0	О	0		
Yao et al. (6)	O	O		O		
Zhou et al. (7)	О	О	O	O		
Ours	O	O	O	O		

Gaps

Parameter estimation

Tractability & scalability

Appendix C2. BPR and Entropy Functions

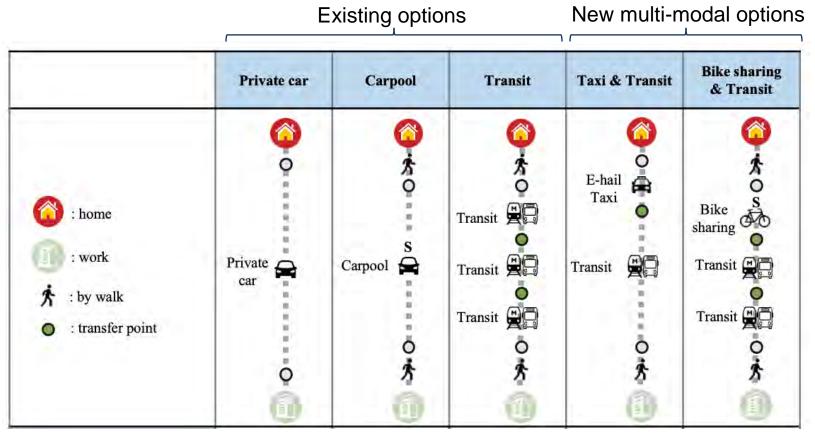
Assumption 1.

The road latency function g_a^m is an increasing power function.

e.g., BPR function
$$g_a^m(f_a^m)=T_a^{m,0}\left[1+\alpha^m\left(\frac{f_a^m}{c_a^m}\right)^{\beta^m}\right]$$

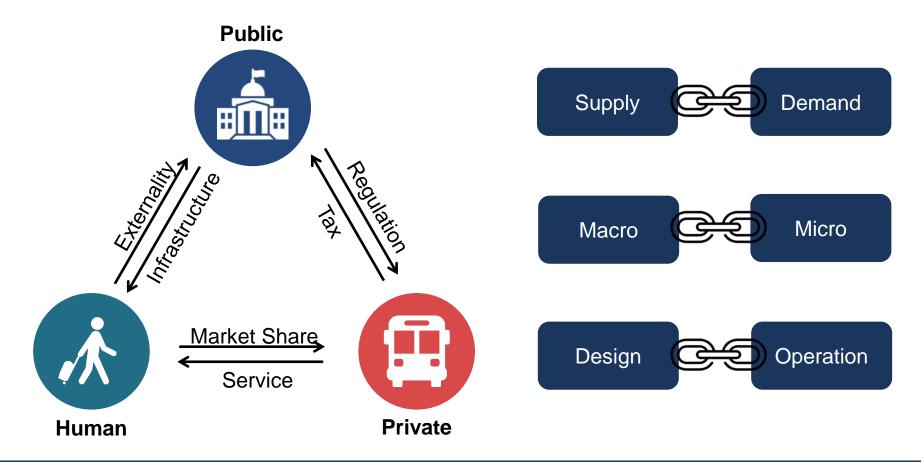
$$\begin{split} H_{\text{MNL}}(\mathbf{p}_{\mathcal{J}|\mathcal{I}}) &= -\sum_{i \in \mathcal{I}, j \in \mathcal{J}} p_{ij} \ln(\frac{p_{ij}}{\widehat{p}_i}) \\ H_{\text{NL}}(\mathbf{p}_{\mathcal{M}|\mathcal{I}\mathcal{J}}) &= H_{\text{NL}_1}(\mathbf{p}_{\mathcal{I}\mathcal{J}\Pi(\mathcal{M})}|\mathbf{p}_{\mathcal{I}\mathcal{J}}) + \sum_{\mathcal{N} \in \Pi(\mathcal{M})} H_{\text{NL}_{\mathcal{N}}}(\mathbf{p}_{\mathcal{I}\mathcal{J}\mathcal{M}}|\mathbf{p}_{\mathcal{I}\mathcal{J}\mathcal{N}}) \\ &= -\sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{\mathcal{N} \in \Pi(\mathcal{M})} p_{ij\mathcal{N}} \ln(\frac{p_{ij\mathcal{N}}}{p_{ij}}) - \sum_{\mathcal{N} \in \Pi(\mathcal{M})} \sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{m \in \mathcal{N}} p_{ijm} \ln(\frac{p_{ijm}}{p_{ij\mathcal{N}}}) \\ H_{\text{PSL}}(\mathbf{p}_{\mathcal{R}|\mathcal{I}\mathcal{J}\mathcal{M}}) &= -\sum_{i \in \mathcal{I}, j \in \mathcal{J}} \sum_{m \in \mathcal{M}, r \in \mathcal{R}} p_{ijmr} \ln(\frac{p_{ijmr}}{p_{ijm}} \cdot \frac{1}{\overline{\psi}_{ijmr}}) \end{split}$$

Appendix D1. Survey Design



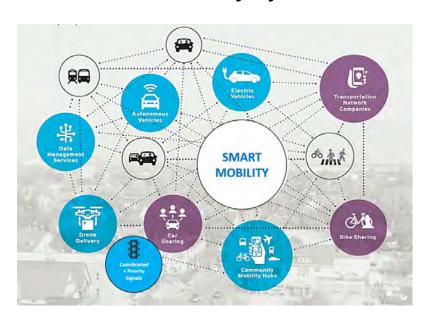
YK et al., 2021 E. Kim, YK et al., 2021

Ultimate Goal: Integrated and Automated Decision Making



Automated Decision Making Beyond Smart Mobility

Smart Mobility System



...and Beyond!



Supply chain management



Water resources



Energy grids



Urban infrastructure