Optimization Framework for Recovery from Railway Freight Network Disruptions

Elkafi Hassini

DeGroote School of Business, Computational Science & Engineering, MacDATA McMaster University

> Freight Day VI Symposium March 1, 2017

joint work with: Manish Verma, McMaster University Nader Azad, Saint Mary's University









Case Study

Change in Management Philosophy?

Japan's Tsunami in March 2011

Change in Management Philosophy?

- Japan's Tsunami in March 2011
- Just-in-time to Just-in-case

Railroad Freight Networks and Disruptions

 Railroads shipped over 1600 million tons of goods in the United States (DOT, 2013) and 337 million tons in Canada (TC, 2013).



Railroad Freight Networks and Disruptions

- Railroads shipped over 1600 million tons of goods in the United States (DOT, 2013) and 337 million tons in Canada (TC, 2013).
- Disruptions to railroad operations, are not infrequent. For example, 61 disruptions were registered for just the Seattle-Vancouver Amtrak operation between 2009 and 2013.





Types of Disruption Risks

Random Disruption Risks: They may occur at any physical point of the network.

- Random Disruption Risks: They may occur at any physical point of the network.
 - Example: Accidents, Natural hazards

- Random Disruption Risks: They may occur at any physical point of the network.
 - Example: Accidents, Natural hazards
 - Goal: Minimize the expected damage on the system

- Random Disruption Risks: They may occur at any physical point of the network.
 - Example: Accidents, Natural hazards
 - Goal: Minimize the expected damage on the system
- Premeditated Disruption Risks:They are deliberately planned to inflict the network with maximum damages

- Random Disruption Risks: They may occur at any physical point of the network.
 - Example: Accidents, Natural hazards
 - Goal: Minimize the expected damage on the system
- **Premeditated Disruption Risks**: They are deliberately planned to inflict the network with maximum damages
 - Example: Terrorist attacks

- Random Disruption Risks: They may occur at any physical point of the network.
 - Example: Accidents, Natural hazards
 - Goal: Minimize the expected damage on the system
- **Premeditated Disruption Risks**: They are deliberately planned to inflict the network with maximum damages
 - Example: Terrorist attacks
 - Goal: Minimize the maximum damage on the system

 Mitigation Strategies: They are used before a disruption occurs

- Mitigation Strategies: They are used before a disruption occurs
 - Their cost is imposed on the network regardless of the disruption occurrence

- Mitigation Strategies: They are used before a disruption occurs
 - Their cost is imposed on the network regardless of the disruption occurrence
 - Example: Adding redundant capacity, new routes

- Mitigation Strategies: They are used before a disruption occurs
 - Their cost is imposed on the network regardless of the disruption occurrence
 - Example: Adding redundant capacity, new routes
- Recovery Strategies: They are only used after the disruption

- Mitigation Strategies: They are used before a disruption occurs
 - Their cost is imposed on the network regardless of the disruption occurrence
 - Example: Adding redundant capacity, new routes
- **Recovery Strategies**: They are only used after the disruption
 - Their cost is imposed on the network after the disruption, and is usually higher than the mitigation cost

- Mitigation Strategies: They are used before a disruption occurs
 - Their cost is imposed on the network regardless of the disruption occurrence
 - Example: Adding redundant capacity, new routes
- **Recovery Strategies**: They are only used after the disruption
 - Their cost is imposed on the network after the disruption, and is usually higher than the mitigation cost
 - Example: Re-routing strategy

Assumptions

• Disrupted train loses capacity (i.e., some or all railcars are destroyed).

Assumptions

- Disrupted train loses capacity (i.e., some or all railcars are destroyed).
- Non-disrupted portion of the train (i.e., railcars with contents intact) could still be used to meet a portion of the overall demand.

Research Goals

Develop a methodology to aid decision makers in both pre- and post-disruption periods

Research Goals

- Develop a methodology to aid decision makers in both preand post-disruption periods
 - Identifying critical service legs in the network

Research Goals

- Develop a methodology to aid decision makers in both preand post-disruption periods
 - Identifying critical service legs in the network
 - Developing appropriate mitigation and recovery strategies

Research Methodology

• We represent a disrupted train as a virtual node

Research Methodology

- We represent a disrupted train as a virtual node
- Consider four distinct recovery strategies: re-routing from the point of disruption, re-sending from the origin nodes, repairing the disrupted rail segments, and using third party services

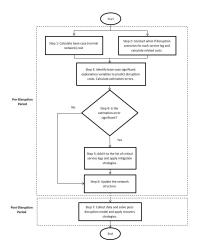
Research Methodology

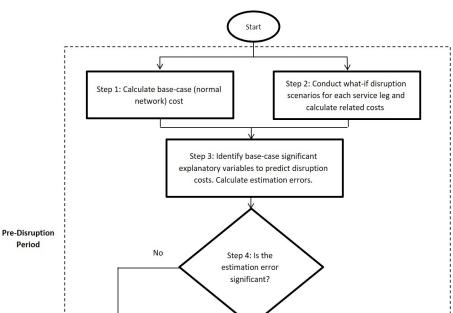
- We represent a disrupted train as a virtual node
- Consider four distinct recovery strategies: re-routing from the point of disruption, re-sending from the origin nodes, repairing the disrupted rail segments, and using third party services
- Predictive model to identify critical service legs

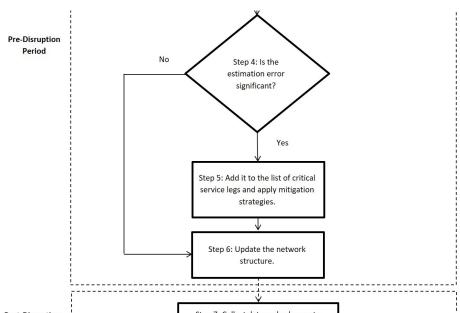
Research Methodology

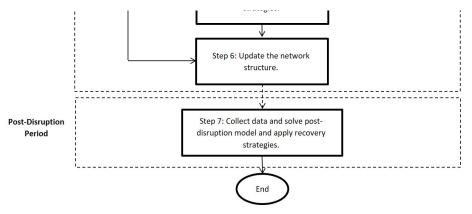
- We represent a disrupted train as a virtual node
- Consider four distinct recovery strategies: re-routing from the point of disruption, re-sending from the origin nodes, repairing the disrupted rail segments, and using third party services
- Predictive model to identify critical service legs
- Prescriptive model to find optimal recovery strategy with the least cost

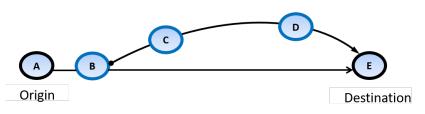
Case Study







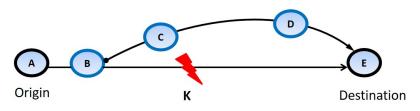




Pre-disruption:

100 railcars have to be sent every week from yard A to yard E. The time to delivery before disruption is seven days. The current network has two itineraries: A-B-E; and, A-B-C-D-E. We assume that the itinerary A-B-E is being used before

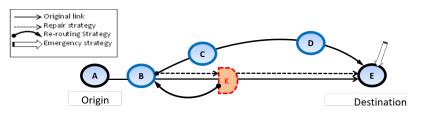
disruption



Disruption:

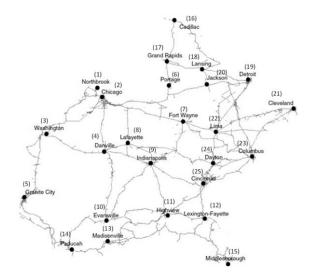
A disruption occurs for a train service passing the service leg B-E with capacity of 100 railcars.

The disruption occurs at site K on the third day of the week, and results in the loss of 40% of railcars.



Post-disruption:

Add the disruption point K as a virtual node to the network whose capacity is equal to the 60 undamaged railcars. The time to delivery post-disruption is only 4 days. The available itineraries are: A-B-E, A-B-C-D-E (existing itineraries from pre-disruption), K-B-C-D-E (re-routing strategy) and K-E (repair strategy). Capacity for KB and KE is 60 railcars.



• 25 yards in the network, and each is both a supply and demand point for the others.

- 25 yards in the network, and each is both a supply and demand point for the others.
- 600 origin-destination pairs, and each has between 1 to 4 itineraries for a total of 1338.

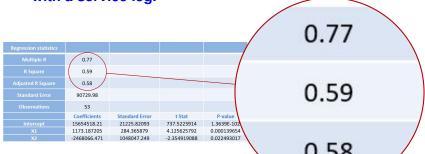
- 25 yards in the network, and each is both a supply and demand point for the others.
- 600 origin-destination pairs, and each has between 1 to 4 itineraries for a total of 1338.
- The yards are connected by thirty-one train services, which amongst them share 53 service legs.

Case Study: Predictive Model Results

• We run the pre-disruption model (Step 1) and for each service leg the post-disruption model is implemented (Step 2).

Case Study: Predictive Model Results

- We run the pre-disruption model (Step 1) and for each service leg the post-disruption model is implemented (Step 2).
- Run a multiple regression model where the optimal volume of shipment (i.e., X1) and the ratio of itineraries (i.e., X2) using a service leg before disruption are used to predict the post-disruption cost (i.e., Y) associated with a service leg.



oefficients

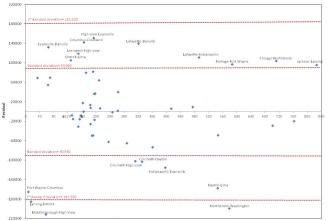
Case Study: Predictive Model Results

- We run the pre-disruption model (Step 1) and for each service leg the post-disruption model is implemented (Step 2).
- Run a multiple regression model where the optimal volume of shipment (i.e., X1) and the ratio of itineraries (i.e., X2) using a service leg before disruption are used to predict the post-disruption cost (i.e., Y) associated with a service leg.

Regression statistic	s				
Multiple R	0.77				/ 15654518.21
R Square	0.59				13034310.21
Adjusted R Square	0.58				
Standard Error	90729.98				1173.187205
Observations	53				11/0.10/200
	Coefficients	Standard Error	t Stat	P-value	And a second
Intercept	15654518.21	21225.82093	737.5223914	1.3639E-102	
X1	1173.187205	284.365879	4.125625792	0.000139654	
X2	-2468066.471	1048047.249	-2.354919088	0.022493017	-2468066.471
	_				

Case Study: ABC Analysis

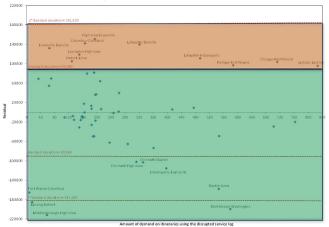
Plot Residuals (cost from post-disruption model cost from predictive model)



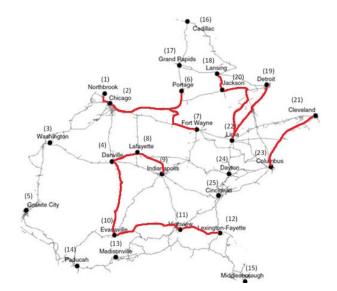
Amount of demand on itineraries using the disrupted service leg

Case Study: ABC Analysis

Plot Residuals (cost from post-disruption model cost from predictive model)



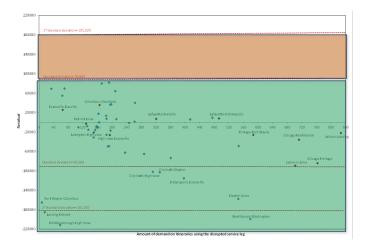
Case Study: ABC Analysis



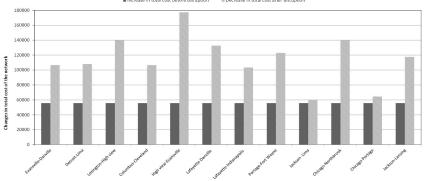
Case Study: Mitigation Strategy

Mitigation strategy for critical service legs: Add new itineraries by renting the tracks owned by competing railroad operators

Case Study: Mitigation Strategy



Case Study: Resuts



■ Increase in total cost before disruption ※ Decrease in total cost after disruption

Disrupted service leg

Case Study: Conclusion

The mitigation strategy implementation results in significant enhancement to the railroad transportation resiliency with minimal changes to the existing infrastructure and insignificant increase in the pre-disruption transportation costs