Transportation Service Provider Collaboration: Benefits and Insights

R. Steven Roesch, Ph.D., and Kimberly Ellis, Ph.D.

Background and Motivation
In the U.S., the trucking industry transports 68% of freight tonnage; 8.96B tons of freight over 145B miles annually. However, the industry is not sustainable:
- Trailers are not fully utilized (~43% utilization on average).
- Substantial driver turnover, especially for truckload drivers.
- Approximately 51,000 drivers needed in U.S.

Solution Approach
A discrete time adaptive large neighborhood search (ALNS) heuristic allowing:
- Multiple depots for vehicles.
- No restrictions on the number of vehicle routes or location visits.
- Pick-up and delivery time windows.
- Multiple opportunities to transfer freight between vehicles.

Transportation Benefits
Efficiency gains for FTL and LTL carriers quantified using data from a freight pooling company with 16 FTL carriers and 42 LTL carriers:
- Partnerships of up to four carriers are created based on carrier type, size, and geographic location.
- Primary performance measures include the following: (1) distance travelled, (2) empty miles, (3) weighted full miles, and (4) container usage.

Collaboration Insights
Individual carrier benefits depend on partnership characteristics:
- 2-TSP partnerships
  - FTL carriers benefit the most from collaboration
  - LTL carriers found no benefit from collaboration
- 3-TSP partnerships
  - FTL and LTL carriers receive approximately the same benefit
- 4-TSP partnerships
  - LTL carriers benefit the most from collaboration
  - FTL carriers still benefit on all four performance metrics

Future Research
Additional research is still required on the TSP-CP and on horizontal collaboration in transportation:
- Modeling the TSP-CP with continuous time
- Allocating benefits of collaboration
- Consolidation and route planning with decentralized control