



# Negative Externalities of GPS-Enabled Applications: A Game Theoretical approach

Jerome Thai, Nicolas Laurent, Alexandre Bayen

University of California at Berkeley



# Problem motivation

**Improve traffic:** GPS apps optimizes road network utilization

**Unintended consequences:** traffic demand increase in cities bordering highways

**Other side effects:** complications for local taxpayers

**Accelerating trend:** ridesharing systems & autonomous driving rely on GPS apps

## THE WALL STREET JOURNAL.

[Home](#) [World](#) [U.S.](#) [Politics](#) [Economy](#) [Business](#) [Tech](#) [Markets](#) [Opinion](#) [Arts](#) [Life](#) [Real Estate](#)

A-HEd

### In L.A., One Way to Beat Traffic Runs Into Backlash

Popular Waze app sends drivers to side street, riling residents



# Game-theoretical framework

## Problem statement:

Quantify the effect of increasing penetration of navigation apps

## Approach:

Traffic Assignment framework (Wardrop equilibrium)

# Multi-class traffic assignment

- **Routed users:** follow shortest routes using GPS device, i.e. cost of using a route is travel time.
- **Non-routed users:** limited knowledge of road network and of current travel times, hence favor high-capacity roads for 'perceived' benefits such as safety and low travel times.

# Multi-class traffic assignment

- **High-capacity roads:** serve users passing through, hence maintained at state/county level. Favored by non-routed users for convenience and historical efficiency.
- **Low-capacity road segments:** residential streets for local users who live or work in the area, not meant for through traffic.

Low-capacity road segments heavily impacted by flow of routed users.

# Mathematical formulation

Travel time:  $t_a(x_a)$

Road segment cost for non-routed users: 
$$c_a^{\text{nr}}(x_a) = \begin{cases} C \cdot t_a(x_a) & \text{if } a \in \mathcal{A}^{\text{lo}} \\ t_a(x_a) & \text{if } a \in \mathcal{A}^{\text{hi}} \end{cases}$$

Route cost for non-routed users: 
$$\ell_p^{\text{nr}}(f) = \sum_{a \in p^{\text{hi}}} t_a(x_a) + C \sum_{a \in p^{\text{lo}}} t_a(x_a)$$

Route cost for Routed users: 
$$\ell_p^{\text{r}}(f) = \sum_{a \in p} t_a(x_a), \quad \forall p \in \mathcal{P}$$

# Multiclass Nash equilibrium

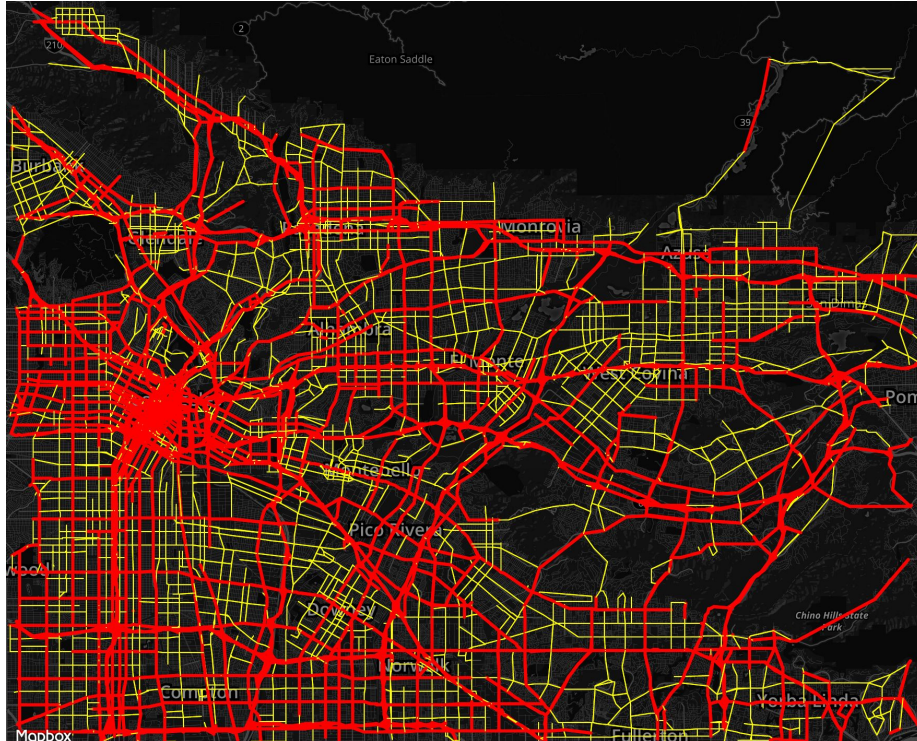
Traffic flow between each OD pair  $w$  divided into fraction  $\alpha$  of routed users, and fraction  $1-\alpha$  of non-routed users.

Eq. condition for routed users:  $\forall p \in \mathcal{P}_w, f_p^r > 0 \implies \ell_p^r(f) = \min_{q \in \mathcal{P}_w} \ell_q^r(f)$

Eq. condition for non-routed users:  $\forall p \in \mathcal{P}_w, f_p^{\text{nr}} > 0 \implies \ell_p^{\text{nr}}(f) = \min_{q \in \mathcal{P}_w} \ell_q^{\text{nr}}(f)$

No convex optimization formulation, but can be solved using Variational Inequality theory and Frank-Wolfe algorithm.

# Application on the map of Los Angeles



**Given:**

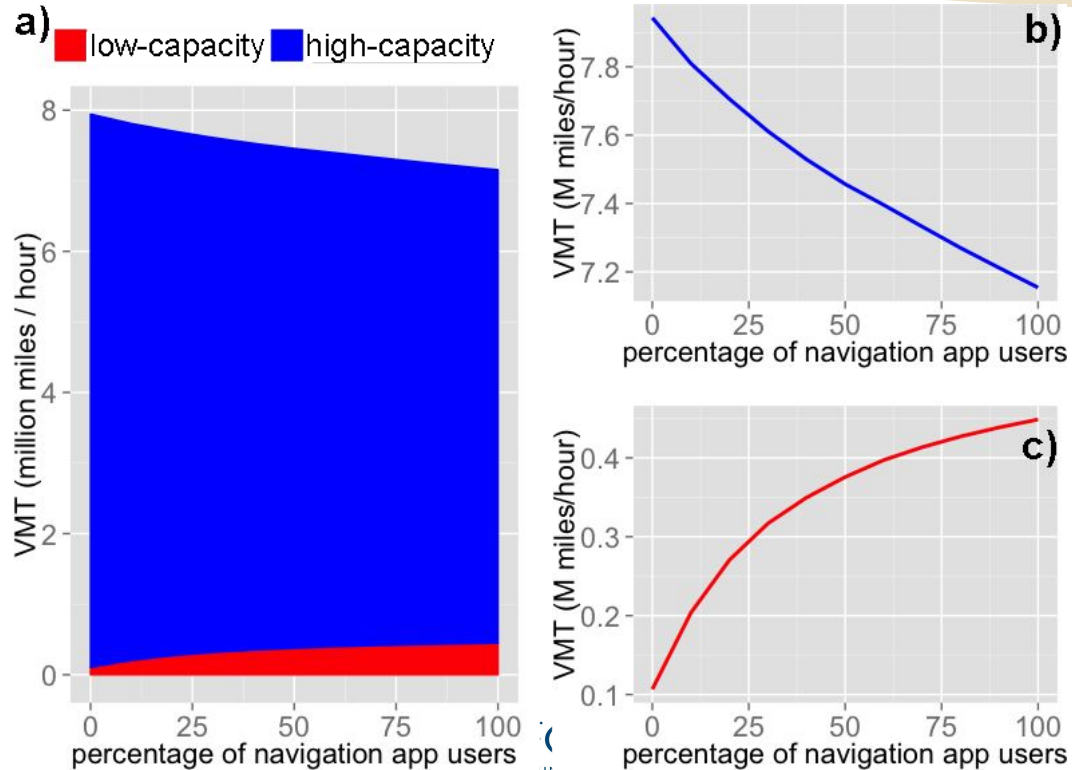
Road map of L.A.  
OD flows

**Methodology:**

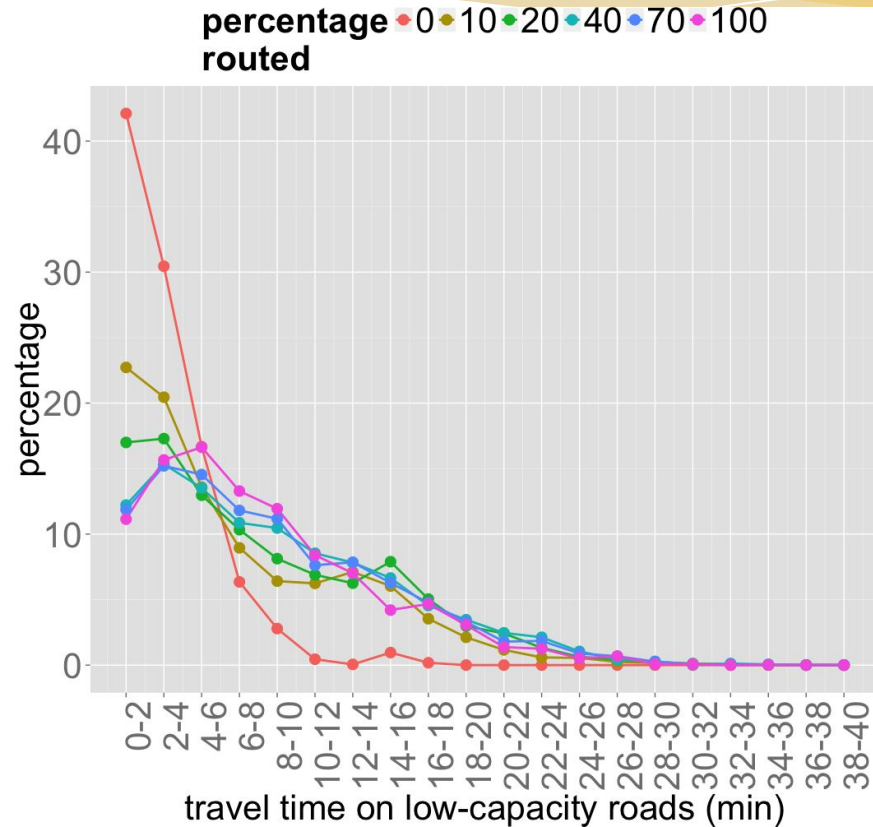
Parametric study on  
the fraction  $\alpha$  of  
routed users



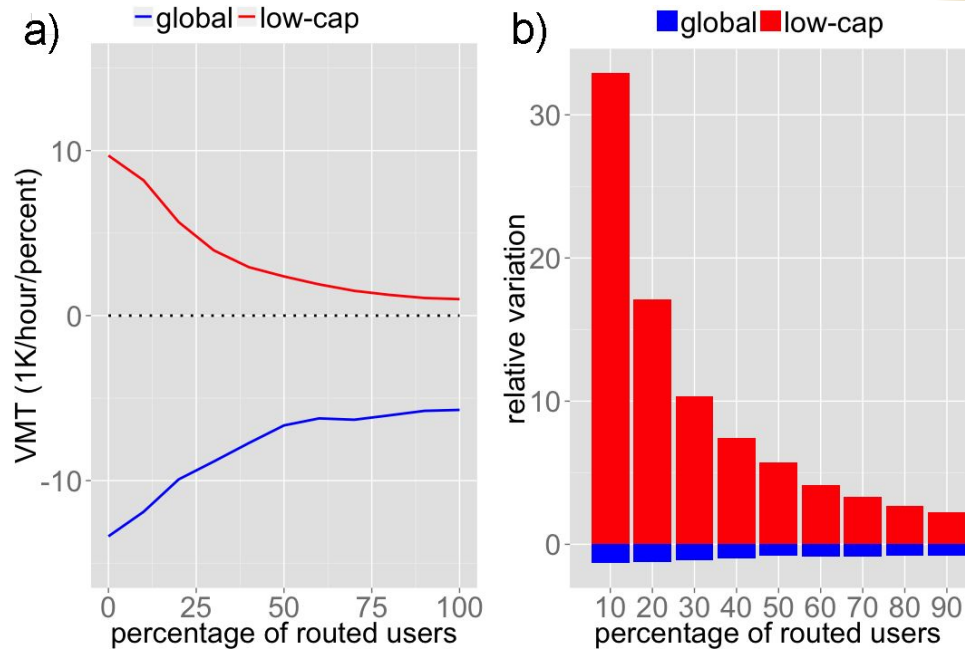
# Variation in VMT



# Travel distribution on local roads



# Variation in VMT



# Conclusions and future work

## Contributions:

- A game-theoretical framework for the impact of GPS apps
- Numerical results on the network of L.A.

## Future work:

- Apply to other networks
- Prisoner's dilemma between drivers and residents

# Open questions

- GPS-based tolls integrated into apps
- Collaborate with tech companies
- Higher capacity on highways
- Better public transportation

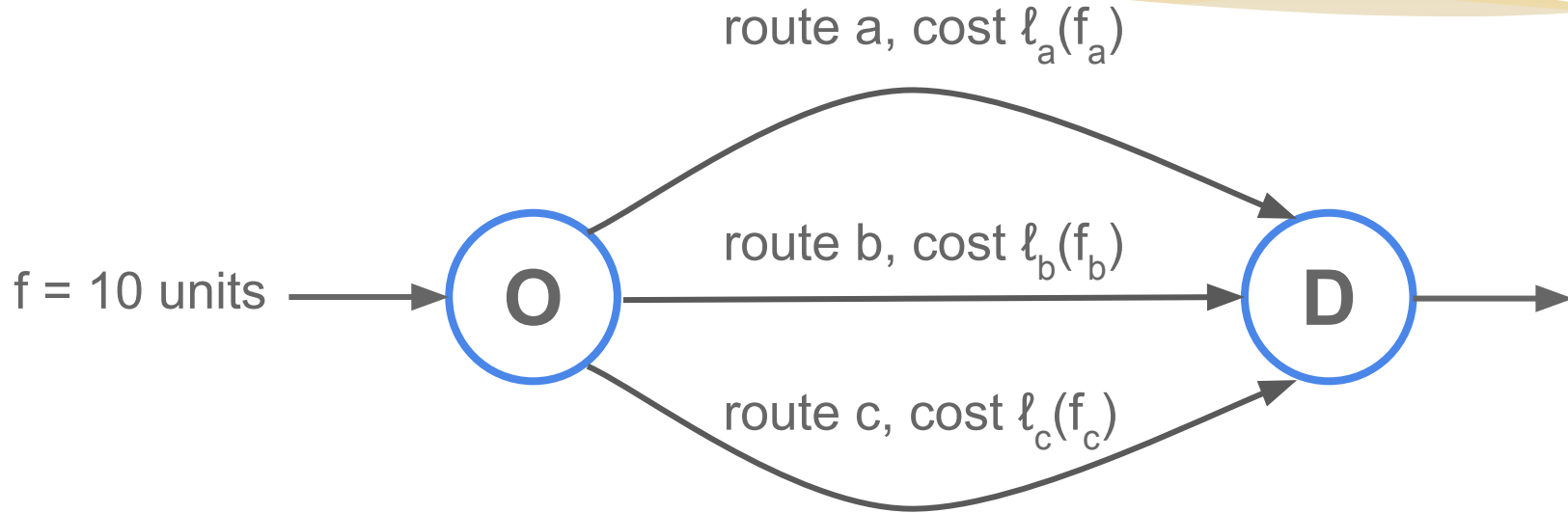
NICK STOCKTON SCIENCE 02.20.15 6:30 AM



**BOSTON IS  
PARTNERING WITH  
WAZE TO MAKE ITS  
ROADS LESS OF A  
NIGHTMARE**

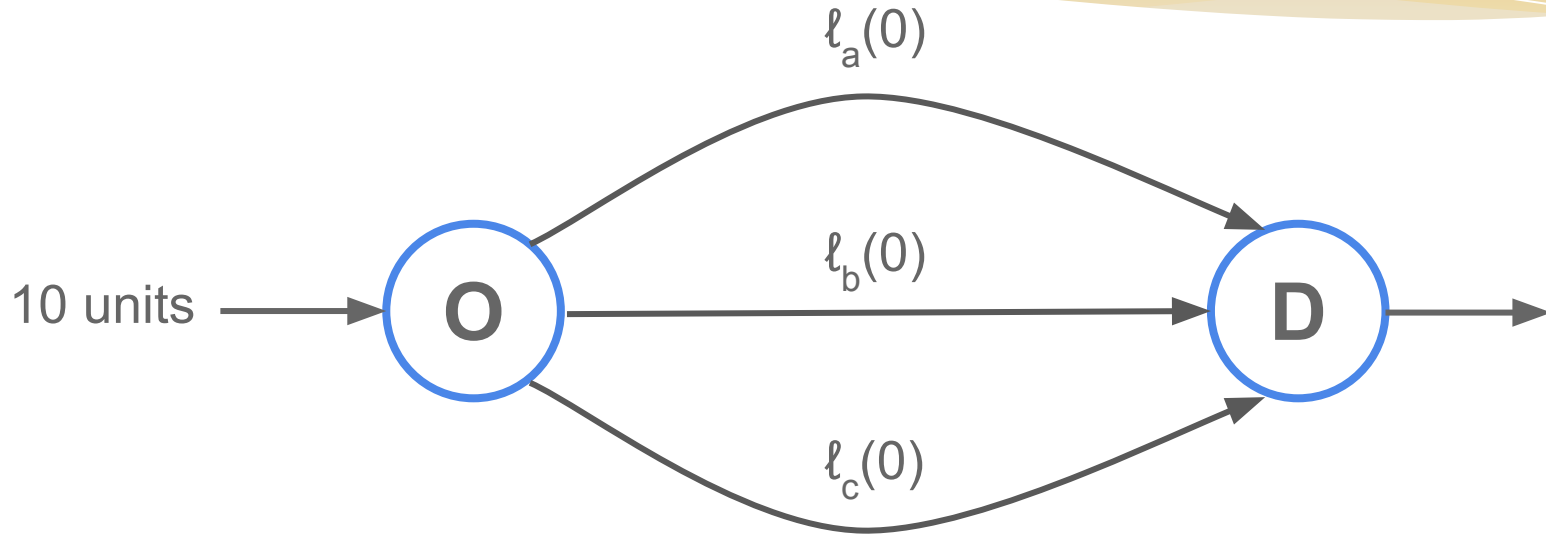
# Appendix: UE framework

# UE framework



Distribute the 10 units among the 3 routes:  $f_a + f_b + f_c = 10$

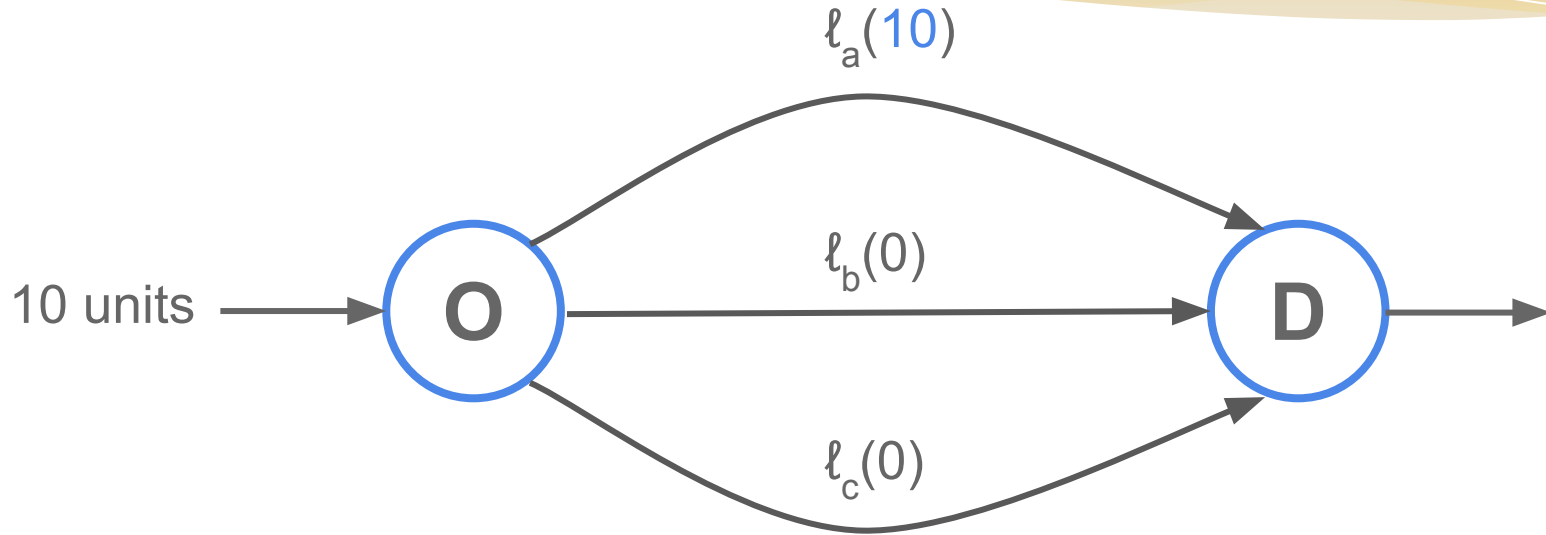
# UE computation: step 1



Suppose  $\ell_a(0) < \ell_b(0) < \ell_c(0)$ : route 10 units on a.

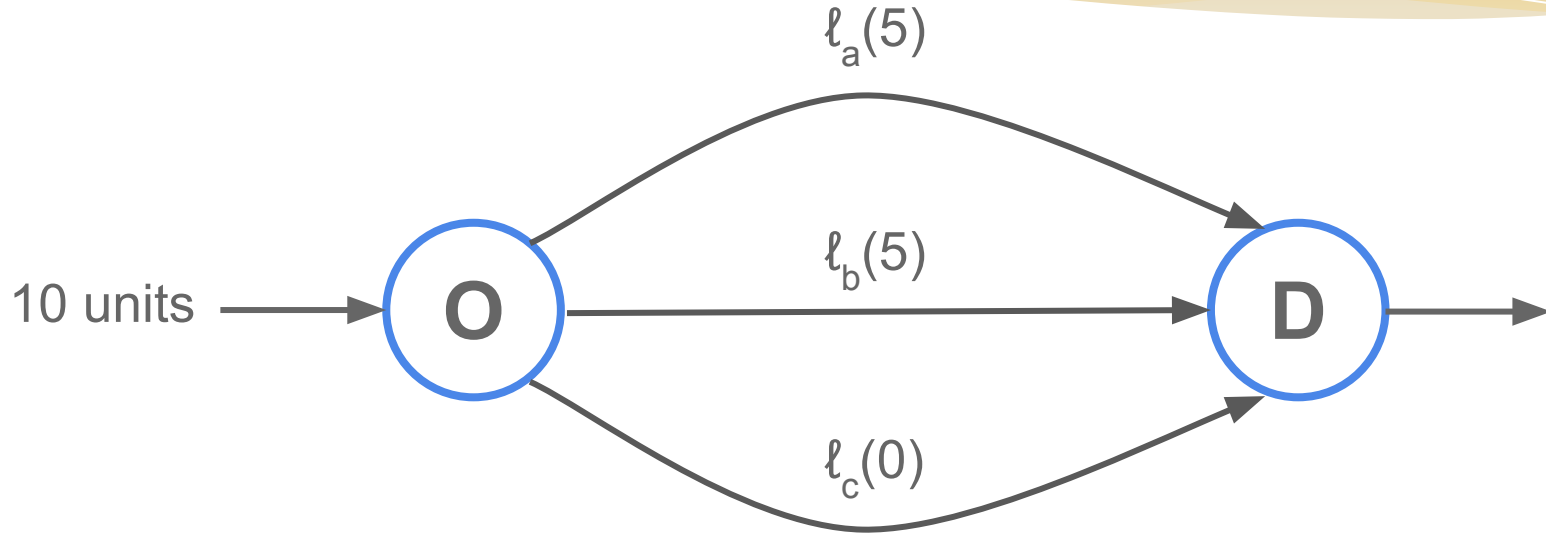


# UE computation: step 2



Now  $\ell_b(0) < \ell_c(0) < \ell_a(10)$  due to congestion effect.  
Re-allocate part of the 10 units on b.

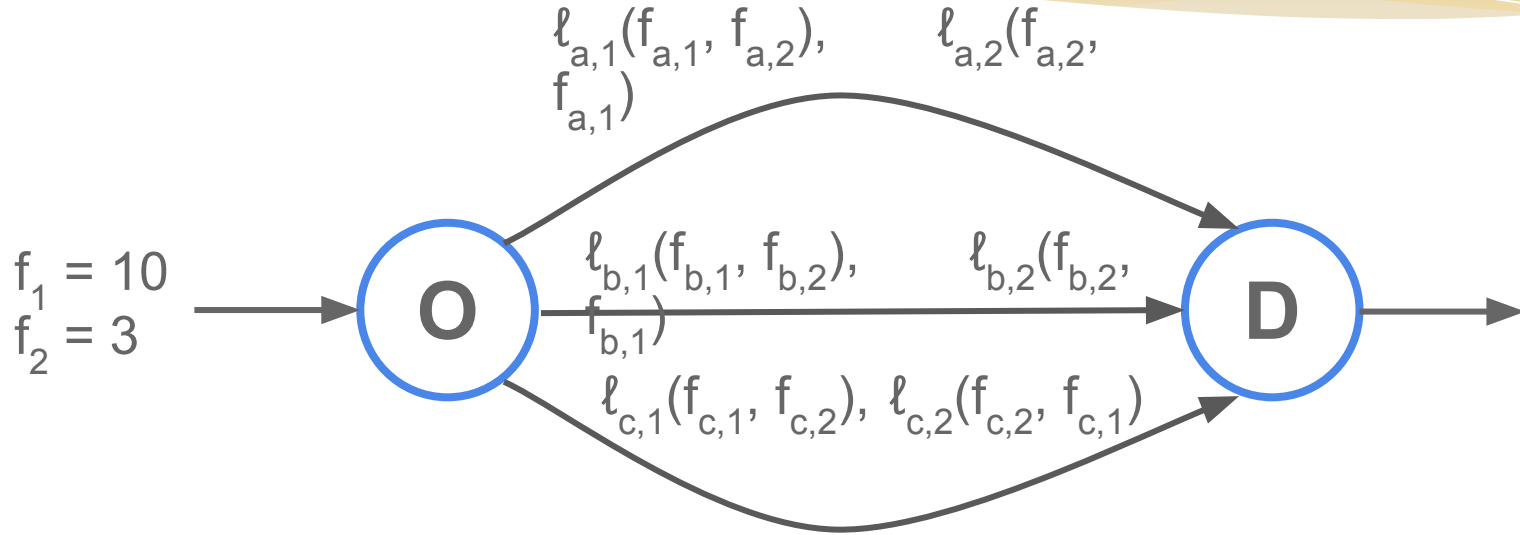
## UE computation: step 3



Now  $\ell_a(5) < \ell_b(5) < \ell_c(0)$ , re-allocate part of the 10 units on a...

**Convergence is guaranteed for smooth increasing costs.**

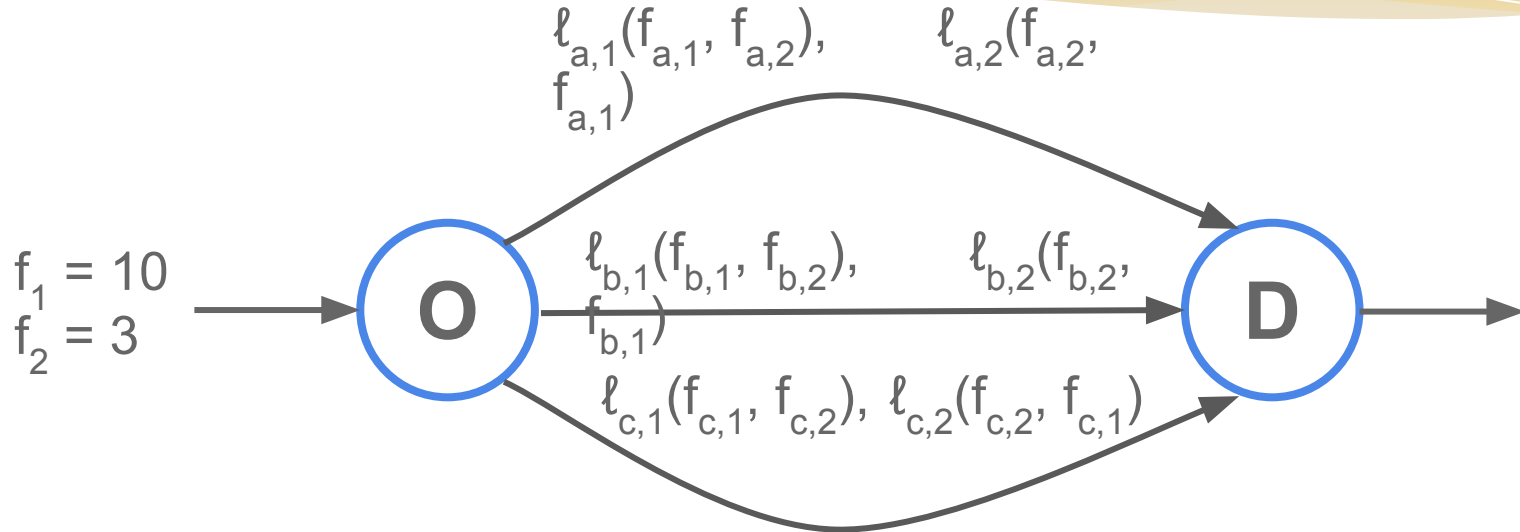
# UE with two types



Distribute each type among the 3 routes:

$$f_{a,1} + f_{b,1} + f_{c,1} = 10, \quad f_{a,2} + f_{b,2} + f_{c,2} = 3$$

# UE definition with two types

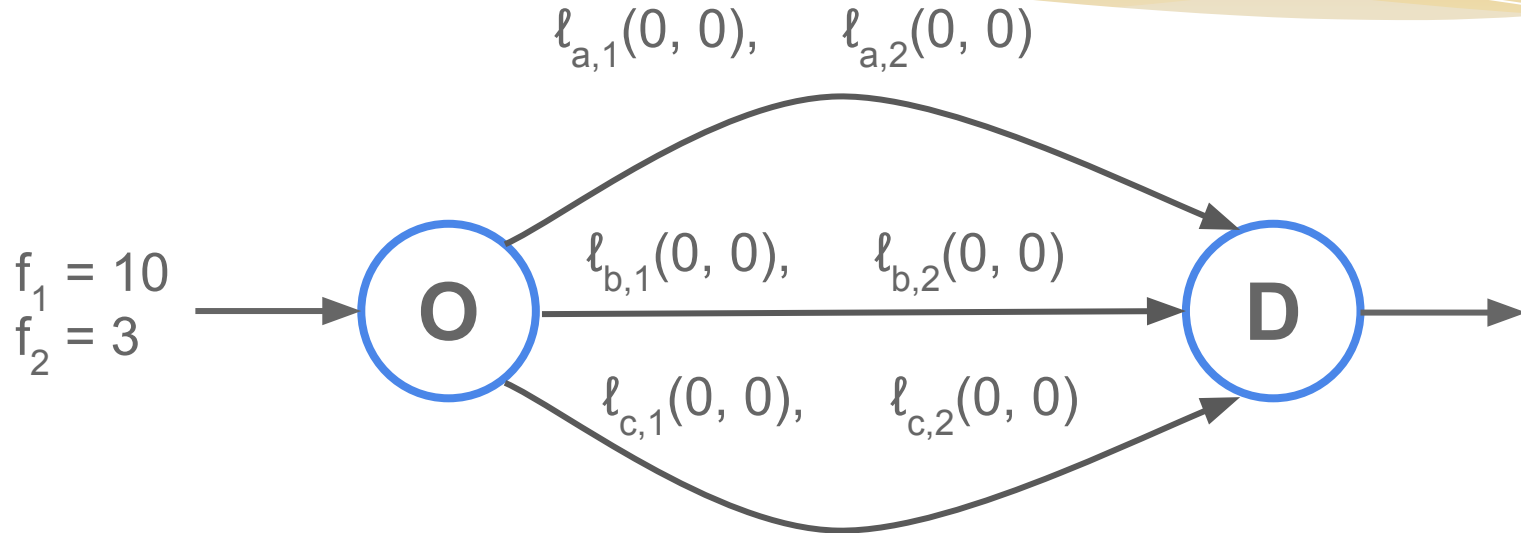


If  $(f_{a,1}, f_{b,1}, f_{c,1}) = (6, 4, 0)$ ,  $(f_{a,2}, f_{b,2}, f_{c,2}) = (0, 1, 2)$  is NE then

$$l_{a,1}(f_{a,1}, f_{a,2}) = l_{b,1}(f_{b,1}, f_{b,2}) \leq l_{c,1}(f_{c,1}, f_{c,2})$$

$$l_{b,2}(f_{b,2}, f_{b,1}) = l_{c,2}(f_{c,2}, f_{c,1}) \leq l_{a,2}(f_{a,2}, f_{a,1})$$

# UE computation

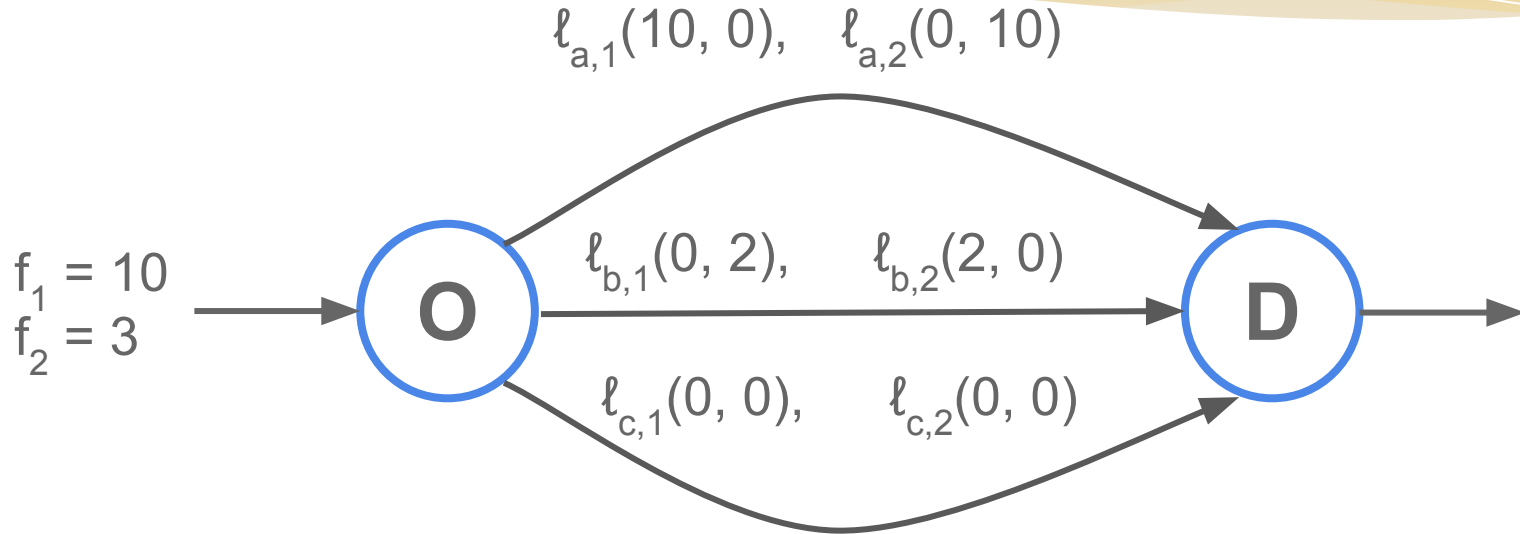


Suppose  $l_{a,1}(0,0) < l_{b,1}(0,0) < l_{c,1}(0,0)$  and  $l_{b,2}(0,0) < l_{c,2}(0,0) < l_{a,2}(0,0)$

route 10 units of type 1 on a

route 3 units to type 2 on b.

# UE computation



Now  $\ell_{b,1}(0,2) < \ell_{c,1}(0,0) < \ell_{a,1}(10,0)$  and  $\ell_{c,2}(0,0) < \ell_{b,2}(2,0) < \ell_{a,2}(0,10)$   
re-allocate part of type 1 units on b and part of type 2 units on c.

Convergence is guaranteed for smooth increasing costs.