

Contents

Nonlinear Stability Problems in Simple Radar Range Trackers	1
<i>E. H. Abed, R. E. Gover, A. J. Goldberg, S. I. Wolk</i>	
1 Introduction	1
2 Nonlinear Radar Range Tracker Models	3
3 Deterministic Stability of the Radar Range Tracking System	5
4 Stochastic Stability of the Radar Range Tracking System	10
5 Directions for Further Research	14
References	16
Asymptotic Properties and Associated Control Problems of Discrete-Time Singularly Perturbed Markov Chains	19
<i>G. Badowski, G. Yin, Q. Zhang</i>	
1 Introduction	19
2 Formulation	21
3 Asymptotic Properties	23
4 Optimal Control	29
5 Further Remarks	32
References	32
Feedback Designs in Information-Based Control	35
<i>J. Baillieul</i>	
1 Introduction	35
2 Digital Control of LTI Systems With Uniform Sampling Rate— the Data Rate Bound in the Scalar Case	37
3 The Case of Higher Order and Multivariable Systems	43
4 The Concept of <i>Attention</i> and Binary Control of Multivariable Systems	46
5 Conclusion	56
References	57
Ergodic Control Bellman Equation with Neumann Boundary Conditions	59
<i>Alain Bensoussan, Jens Frehse</i>	
1 Abstract	59
2 Preliminaries	61
3 Main Result	64

4	Uniqueness	68
5	Ergodic control in \mathbb{R}^n	70
	References	71
	Regime Switching and European Options	73
	<i>John Buffington, Robert J. Elliott</i>	
1	Introduction	73
2	The Black Scholes Equation	79
3	Conclusion	81
	References	81
	Equivalence of Two Kinds of Stability for Multi-dimensional ARMA Systems	83
	<i>Xianbing Cao, Han-Fu Chen</i>	
1	Introduction	83
2	Stability Implies Stability in MSS	84
3	Stability in MSS Implies Stability ($C(Z) = I$)	86
4	General $C(z)$	93
5	Conclusion	95
	References	96
	System Identification and Time Series Analysis: Past, Present, and Future	97
	<i>Manfred Deistler</i>	
1	Introduction	97
2	Time Series Analysis and System Identification	97
3	The History	98
4	Main Stream Identification of Linear Systems	102
5	Present State and Future Developments	105
	References	108
	Max-Plus Stochastic Control	111
	<i>Wendell H. Fleming</i>	
1	Introduction	111
2	Max-Plus Control Problem	112
3	Feedback Control Policies	114
4	Strictly Progressive Strategies	115
5	Risk Sensitive Control Limits	117
	References	118
	An Optimal Consumption–Investment Problem for Factor-Dependent Models	121
	<i>Wendell H. Fleming, Daniel Hernández-Hernández</i>	
1	Introduction	121
2	Problem Formulation	122
3	Main Result	127
	References	129

Adaptation of a Real-Time Seizure Detection Algorithm 131
Mark G. Frei, Shane M. Haas, Ivan Osorio

1 Background 131
 2 Overview of the Seizure Detection Algorithm 132
 3 Adaptation of the Seizure Detection Algorithm 133
 4 Using the SDA for Closed-Loop Stimulation 135
 References 135

Randomization Methods in Optimization and Adaptive Control 137
László Gerencsér, Zsuzsanna Vágó, H. Hjalmarsson

1 Introduction 137
 2 Technical Assumptions 141
 3 The Main Results 144
 4 A Direct Adaptive Control Problem 145
 5 Iterative Feedback Tuning 146
 6 Randomized IFT 148
 7 Simulation Results 149
 8 Conclusion 151
 References 152

Capacity of the Multiple-Input, Multiple-Output Poisson Channel 155
Shane M. Haas, Jeffrey H. Shapiro

1 Introduction 155
 2 The MIMO Poisson Channel 156
 3 Comparison of Bounds 165
 4 Conclusions 166
 References 167

Stochastic Analysis of Jump–Diffusions for Financial Log–Return Processes 169
Floyd B. Hanson, John J. Westman

1 Introduction 169
 2 Density for Log–Normal Jump–Diffusions 171
 3 Log–Normal Jump–Diffusion Model Parameter Estimation 177
 References 182

Numerical Methods for Optimal Stopping Using Linear and Non-linear Programming 185
Kurt Helmes

1 Introduction 185
 2 Formulation and Fundamental Theorems 186
 3 Method I: The Exit Time Approach 189

4 Method II: A General LP-Approach 193
 5 Concluding Remarks 202
 References 202

The ODE Method and Spectral Theory of Markov Operators. 205

Jianyi Huang, Ioannis Kontoyiannis, Sean P. Meyn

1 Introduction 205
 2 Linear Theory 208
 3 Nonlinear Models 218
 References 220

Sign-Regressor Adaptive Filtering Algorithms Using Averaged Iterates and Observations. 223

C. Ion, G. Yin, V. Krishnamurthy

1 Introduction 223
 2 Algorithm 225
 3 Convergence 225
 4 Asymptotic Normality 226
 5 Discussion 233
 6 Adaptive Multiuser Detection in CDMA Wireless Networks 234
 References 237

Kalman-Type Filters for Nonparametric Estimation Problems. 239

R. Khasminskii

1 Introduction 239
 2 Kalman-Type Filter for the Model (1) 240
 3 Recursive Estimation of a Smooth Regression Function 241
 4 Estimation of Time Dependent Spatial Signal Observed in GWN 243
 5 Concluding Remarks 248
 References 249

Detection and Estimation in Stochastic Systems with Time-Varying Parameters 251

Tze Leung Lai

1 Introduction 251
 2 Theory of Sequential Change-Point Detection 252
 3 On-Line Fault Detection and Isolation 257
 4 Fixed Sample Change-point Problems 259
 5 Estimation of Time-Varying Parameters 261
 References 263

Asymptotic Normality in Partially Observed Diffusions with Small Noise: Application to FDI 267

François LeGland, Bo Wang

1 Introduction 267
 2 Statistical Model and Residual Definition 268

3 Small Noise Expansion 271
 4 Asymptotic Normality of the Residual Under the
 Nominal Hypothesis 274
 5 Local Asymptotic Normality (LAN) 277
 6 Application to FDI 280
 References 281

Stochastic Lagrangian Adaptive LQG Control 283

David Levanony, Peter E. Caines

1 Introduction 283
 2 Problem Statement 285
 3 Maximum Likelihood Identification 287
 4 Geometric Results 289
 5 Lagrangian Adaptation 291
 References 299

**Optimal Control of Linear Backward Stochastic Differential
 Equations with a Quadratic Cost Criterion 301**

Andrew E.B. Lim, Xun Yu Zhou

1 Introduction 301
 2 Problem Formulation 303
 3 Main Result 305
 4 Proofs of Theorems 1 and 2: Outline 309
 5 Alternative Derivation: Forward Formulation 311
 6 Conclusion 316
 References 316

Hilbert Spaces Induced by Toeplitz Covariance Kernels 319

Mihaela T. Matache, Valentin Matache

1 Introduction 319
 2 Preliminary Results 320
 3 The Main Results 325
 References 332

**Error Analysis of a Max-Plus Algorithm for a First-Order
 HJB Equation 335**

William M. McEneaney

1 Introduction 335
 2 Review of the Max-Plus Based Algorithm 337
 3 Allowable Errors in Computation of B 341
 4 Convergence and Truncation Errors 347
 5 Error Summary 349
 References 350

Optimal Strategies for Ergodic Control Problems Arising from Portfolio Optimization	353
<i>Hideo Nagai</i>	
1 Introduction	353
2 Finite Time Horizon Case	354
3 Ergodic Type Bellman Equation	362
4 Optimal Strategy for Portfolio Optimization on Infinite Time Horizon	363
5 Example	364
References	367
Finite Horizon Full-State Feedback kCC Control in Civil Structures Protection	369
<i>Khanh D. Pham, Michael K. Sain, Stanley R. Liberty</i>	
1 Preliminaries	369
2 Finite Horizon Full-State Feedback k CC Control Problem Statements	371
3 Finite Horizon Full-State Feedback k CC Control Solution	377
4 Earthquake-Protection Structure Benchmark	379
5 Conclusions	382
References	383
Robust Stochastic Maximum Principle: A Measured Space as Uncertainty Set	385
<i>Alex S. Poznyak</i>	
1 Introduction	385
2 Problem Setting	386
3 Robust Stochastic Maximum Principle	389
4 Discussions	392
5 Conclusion	393
References	394
On Optimality of Stochastic N-Machine Flowshop with Long-Run Average Cost	399
<i>Ernst Presman, Suresh P. Sethi, Hanqin Zhang, Qing Zhang</i>	
1 Introduction	399
2 Problem Formulation	401
3 Main Results	403
4 Concluding Remarks	415
References	416
A Risk-Sensitive Generalization of Maximum A Posterior Probability (MAP) Estimation	419
<i>Vahid Reza Ramezani, Steven I. Marcus</i>	
1 Introduction	419
2 Risk Sensitive Filter Banks	420

3 Structural Results: The Filter Banks and the Information State 424
 4 Risk-Sensitivity and the Sample Path Perspective 430
 References 432

Bayesian Adaptive Control of Discrete Time Partially Observed Markov Processes 435

L. Stettner
 1 Introduction 435
 2 Identification 437
 3 Control Approximations 440
 4 Rich Observation Model 445
 References 446

Portfolio Optimization in Markets Having Stochastic Rates . . . 447

Richard H. Stockbridge
 1 Introduction 447
 2 Formulation 449
 3 Completely Observed Problem 451
 4 Partially Observed Problem 454
 References 457

Moment Problems Related to the Solutions of Stochastic Differential Equations 459

Jordan Stoyanov
 1 Introduction 459
 2 Criteria for Uniqueness and Non-Uniqueness 460
 3 Some Problems of Interest 462
 4 3. Some Results About Stochastic Integrals 463
 5 Some Results About Stochastic Differential Equations 464
 6 Comments on Related Topics 467
 References 468

\mathcal{L} -Transform, Normal Functionals, and Lévy Laplacian in Poisson Noise Analysis 471

Allanus H. Tsoi
 1 Introduction 471
 2 The \mathcal{L} -Transform 474
 3 The Normal Functionals 479
 4 The Lévy Laplacian on Normal Functionals 482
 References 488

Probabilistic Rate Compartment Model for Cancer: Alternate versus Traditional Chemotherapy Scheduling 491

John J. Westman, Bruce R. Fabijonas, Daniel L. Kern, Floyd B. Hanson
 1 Introduction 491

2 Four-Compartment Model for Cancer Treatment 493
 3 Treatment Schedulings 496
 4 Numerical Example 498
 5 Conclusions 503
 References 504

Finite-Dimensional Filters with Nonlinear Drift.

XII: Linear and Constant Structure of Wong-Matrix 507

Xi Wu, Stephen S.-T. Yau, Guo-Qing Hu

1 Introduction 507
 2 Basic Concepts 509
 3 Linear Structure of Ω 512
 4 Nonexistence of Nontrivial Solution of the Matrix Equation
 $\Delta\Delta^T = \frac{1}{2}H(\eta_4)$ 514
 References 516

The Stability Game 519

Kwan-Ho You, E. Bruce Lee

1 Introduction 519
 2 The Stability Game and Time Maximum Disturbances 521
 3 L_∞ -Gain (L_1 -Norm) Calculations for Third Order Systems 525
 4 Conclusions with Example 529
 References 532

Bayes Estimation via Filtering Equation for O-U Process with Discrete Noises: Application to the Micro-Movement of Stock Prices 533

Yong Zeng, Laurie C. Scott

1 Introduction 533
 2 The Model 534
 3 Bayes Estimation via Filtering Equation 538
 4 A Real Data Example 544
 5 Conclusions 546
 References 546
 Appendix 548

Hybrid Filtering 549

Q. Zhang

1 Introduction 549
 2 The MPT Filtering 551
 3 Numerical Examples 555
 4 Conclusions 563
 References 563