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Optimization
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Contents

Preface xvii

Contributing Authors xxi

1
Professor Sidney J. Yakowitz 1
D. S. Yakowitz

Part I 13

2 Stability of Single Class Queuing Networks 13
Harold J. Kushner

1 Introduction 13
2 The Model 15
3 Stability: Introduction 22
4 Perturbed Lyapunov Functions 23
5 Stability 28

3 Sequential Optimization Under Uncertainty 35
Tze Leung Lai

1 Introduction 35
2 Bandit Theory 37
2.1 Nearly optimal rules based on upper confidence bounds and Gittins indices 37
2.2 A hypothesis testing approach and block experimentation 42
2.3 Applications to machine learning, control and scheduling of queues 44
3 Adaptive Control of Markov Chains 44
3.1 Parametric adaptive control 45
3.2 Nonparametric adaptive control 47
4 Stochastic Approximation 49

4 Exact Asymptotics for Large Deviation Probabilities, with Applications 57
Iosif Pinelis

1. Limit Theorems on the last negative sum and applications to non-parametric bandit theory
   1.1 Condition (4)&(8): exponential and superexponential cases
   1.2 Condition (4)&(8): exponential (beyond (14)) and subexponential cases
   1.3 The conditional distribution of the initial segment $S_1, \ldots, S_n$ of the sequence of the partial sums given $\hat{T} = n$
   1.4 Application to Bandit Allocation Analysis
   1.4.1 Test-times-only based strategy
   1.4.2 Multiple bandits and all-decision-times based strategy

2. Large deviations in a space of trajectories

3. Asymptotic equivalence of the tail of the sum of independent random vectors and the tail of their maximum
   3.1 Introduction
   3.2 Exponential inequalities for probabilities of large deviation of sums of independent Banach space valued r.v.'s
   3.3 The case of a fixed number of independent Banach space valued r.v.'s. Application to asymptotics of infinitely divisible probability distributions in Banach spaces
   3.4 Tails decreasing no faster than power ones
   3.5 Tails, decreasing faster than any power ones
   3.6 Tails, decreasing no faster than $e^{-\alpha t}, 0 < \alpha < 1$

Part II

5. Stochastic Modelling of Early HIV Immune Responses Under Treatment by Protease Inhibitors

Wai-Yuan Tan and Zhihua Xiang

1. Introduction

2. A Stochastic Model of Early HIV Pathogenesis Under Treatment by a Protease Inhibitor
   2.1 Modeling the Effects of Protease Inhibitors
   2.2 Modeling the Net Flow of HIV From Lymphoid Tissues to Plasma
   2.3 Derivation of Stochastic Differential Equations for The State Variables

3. Mean Values of $\tilde{U}(T) = \{T^{(\ast)}(T), V_0(T), V_1(T)\}$

4. A State Space Model for the Early HIV Pathogenesis Under Treatment by Protease Inhibitors
   4.1 Estimation of $\tilde{X}(T)$, given $Y_u, u = 1, \ldots, j (j \leq n)$.
   4.2 Estimation of $\tilde{X}(T)$ Given $Y_1, \ldots, Y_n$ with $0 \leq j \leq n$ and $t_j \leq t < t_{j+1}$.

5. An Example Using Real Data

6. Some Monte Carlo Studies
# Contents

6  
The impact of re-using hypodermic needles  
B. Barnes and J. Gani  
1 Introduction  
2 Geometric distribution with variable success probability  
3 Validity of the distribution  
4 Mean and variance of I  
5 Intensity of epidemic  
6 Reducing infection  
7 The spread of the Ebola virus in 1976  
8 Conclusions  

7  
Nonparametric Frequency Detection and Optimal Coding in Molecular Biology  
David S. Stoffer  
1 Introduction  
2 The Spectral Envelope  
3 Sequence Analyses  
4 Discussion  

Part III  

8  
An Efficient Stochastic Approximation Algorithm for Stochastic Saddle Point Problems  
Arkadi Nemirovski and Reuven Y. Rubinstein  
1 Introduction  
1.1 Classical stochastic approximation  
2 Stochastic saddle point problem  
2.1 The problem  
2.1.1 Stochastic setting  
2.1.2 The accuracy measure  
2.2 Examples  
2.3 The SASP algorithm  
2.4 Rate of convergence and optimal setup: off-line choice of the stepsizes  
2.5 Rate of convergence and optimal setup: on-line choice of the stepsizes  
3 Discussion  
3.1 Comparison with Polyak’s algorithm  
3.2 Optimality issues  
4 Numerical Results  
4.1 A Stochastic Minimax Steiner problem  
4.2 A simple queuing model  
5 Conclusions  
Appendix: A: Proof of Theorems 1 and 2
Appendix: B: Proof of the Proposition 182

9 Regression Models for Binary Time Series 185
Benjamin Kedem, Konstantinos Fokianos
1 Introduction 185
2 Partial Likelihood Inference 187
2.1 Definition of Partial Likelihood 187
2.2 An Assumption Regarding the Covariates 188
2.3 Partial Likelihood Estimation 188
2.4 Prediction 190
3 Goodness of Fit 191
4 Logistic Regression 192
4.1 A Demonstration 194
5 Categorical Data 196

10 Almost Sure Convergence Properties of Nadaraya-Watson Regression Estimates 201
Harro Walk
1 Introduction 201
2 Results 203
3 Lemmas and Proofs 205

11 Strategies for Sequential Prediction of Stationary Time Series 225
László Györfi, Gábor Lugosi
1 Introduction 225
2 Universal prediction by partitioning estimates 228
3 Universal prediction by generalized linear estimates 236
4 Prediction of Gaussian processes 240

Part IV 249

12 The Birth of Limit Cycles in Nonlinear Oligopolies with Continuously Distributed Information Lag
Carl Chiarella and Ferenc Szidarovszky
1 Introduction 249
2 Nonlinear Oligopoly Models 251
3 The Dynamic Model with Lag Structure 251
4 Bifurcation Analysis in the General Case 253
5 The Symmetric Case 259
6 Special Oligopoly Models 263
7 Conclusions 267
## Contents

13

A Differential Game of Debt Contract Valuation  
**A. Haurie and F. Moresino**

1 Introduction 269
2 The firm and the debt contract 270
3 A stochastic game 273
4 Equivalent risk neutral valuation 275
4.1 Debt and Equity valuations when bankruptcy is not considered 276
4.2 Debt and Equity valuations when liquidation may occur 278
5 Debt and Equity valuations for Nash equilibrium strategies 280
6 Liquidation at fixed time periods 281
7 Conclusion 282

14

Huge Capacity Planning and Resource Pricing for Pioneering Projects  
**David Porter**

1 Introduction 285
2 The Model 287
3 Results 291
3.1 Cost and Performance Uncertainty 292
3.2 Cost Uncertainty and Flexibility 297
3.3 Performance Uncertainty and Flexibility 298
4 Conclusion 298

15

Affordable Upgrades of Complex Systems: A Multilevel, Performance-Based Approach  
**James A. Reneke and Matthew J. Saltzman and Margaret M. Wiecek**

1 Introduction 301
2 Multilevel complex systems 306
2.1 An illustrative example 309
2.2 Computational models for the example 312
3 Multiple criteria decision making 313
3.1 Generating candidate methods 314
3.2 Choosing a preferred selection of upgrades 315
3.3 Application to the example 317
4 Stochastic analysis 320
4.1 Random systems and risk 321
4.2 Application to the example 321
5 Conclusions 322
Appendix: Stochastic linearization 327
1 Origin of stochastic linearization 327
2 Stochastic linearization for random surfaces 327

16

On Successive Approximation of Optimal Control of Stochastic Dynamic Systems  
**Fei-Yue Wang, George N. Saridis**
MODELING UNCERTAINTY

1 Introduction 334
2 Problem Statement 335
3 Sub-Optimal Control of Nonlinear Stochastic Dynamic Systems 337
4 The Infinite-time Stochastic Regulator Problem 346
5 Procedure for Iterative Design of Sub-optimal Controllers 349
   5.1 Exact Design Procedure 349
   5.2 Approximate Design Procedures for the Regulator Problem 353
6 Closing Remarks by Fei-Yue Wang 356

17 Stability of Random Iterative Mappings 359
   László Gerencsér
   1 Introduction 359
   2 Preliminary results 364
   3 The proof of Theorem 1.1 367
   Appendix 368

Part V 373

18 'Unobserved' Monte Carlo Methods for Adaptive Algorithms 373
   Victor Solo
   1 El Sid 373
   2 Introduction 374
   3 On-line Binary Classification 375
   4 Binary Classification with Noisy Measurements of Classifying Variables-
      Offline 376
   5 Binary Classification with Errors in Classifying Variables -Online 378
   6 Conclusions 380

19 Random Search Under Additive Noise 383
   Luc Devroye and Adam Krzyżak
   1 Sid's contributions to noisy optimization 383
   2 Formulation of search problem 384
   3 Random search: a brief overview 385
   4 Noisy optimization by random search: a brief survey 390
   5 Optimization and nonparametric estimation 393
   6 Noisy optimization: formulation of the problem 394
   7 Pure random search 394
   8 Strong convergence and strong stability 398
   9 Mixed random search 399
   10 Strategies for general additive noise 400
   11 Universal convergence 410
## Contents

Recent Advances in Randomized Quasi-Monte Carlo Methods 419

*Pierre L’Ecuyer and Christiane Lemieux*

1 Introduction 420

2 A Closer Look at Low-Dimensional Projections 423

3 Main Constructions 425

3.1 Lattice Rules 426

3.2 Digital Nets 428

3.2.1 Sobol’ Sequences 431

3.2.2 Generalized Faure Sequences 431

3.2.3 Niederreiter Sequences 432

3.2.4 Polynomial Lattice Rules 433

3.3 Constructions Based on Small PRNGs 435

3.4 Halton sequence 438

3.5 Sequences of Korobov rules 439

3.6 Implementations 439

4 Measures of Quality 440

4.1 Criteria for standard lattice rules 441

4.2 Criteria for digital nets 444

5 Randomizations 448

5.1 Random shift modulo 1 449

5.2 Digital $b$-ary shift 449

5.3 Scrambling 450

5.4 Random Linear Scrambling 451

5.5 Others 452

6 Error and Variance Analysis 452

6.1 Standard Lattices and Fourier Expansion 453

6.2 Digital Nets and Haar or Walsh Expansions 455

6.2.1 Scrambled-type estimators 455

6.2.2 Digitally $b$-ary shifted estimators 457

7 Transformations of the Integrand 461

8 Related Methods 462

9 Conclusions and Discussion 464

Appendix: Proofs 464

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Part VI

Singularly Perturbed Markov Chains and Applications to Large-Scale Systems under Uncertainty 475

*G. Yin, Q. Zhang, K. Yin and H. Yang*

1 Introduction 476

2 Singularly Perturbed Markov Chains 480

2.1 Continuous-time Case 481

2.2 Time-scale Separation 483

3 Properties of the Singularly Perturbed Systems 485

3.1 Asymptotic Expansion 485

3.2 Occupation Measures 487

3.3 Large Deviations and Exponential Bounds 492
### 3.3.1 Large Deviations
Exponential Bounds

### 4 Controlled Singularly Perturbed Markovian Systems
4.1 Continuous-time Hybrid LQG
4.2 Discrete-time LQ

### 5 Further Remarks

### 6 Appendix: Mathematical Preliminaries
6.1 Stochastic Processes
6.2 Markov chains
6.3 Connections of Singularly Perturbed Models: Continuous Time vs. Discrete Time

### 22 Risk–Sensitive Optimal Control in Communicating Average Markov Decision Chains
*Rolando Cavazos–Cadena, Emmanuel Fernández–Gaucherand*
1. Introduction
2. The Decision Model
3. Main Results
4. Basic Technical Preliminaries
5. Auxiliary Expected–Total Cost Problems: I
6. Auxiliary Expected–Total Cost Problems: II
7. Proof of Theorem 3.1
8. Conclusions
Appendix: A: Proof of Theorem 4.1
Appendix: B: Proof of Theorem 4.2

### 23 Some Aspects of Statistical Inference in a Markovian and Mixing Framework
*George G. Roussas*
1. Introduction
2. Markovian Dependence
   2.1 Parametric Case - The Classical Approach
   2.2 Parametric Case - The Local Asymptotic Normality Approach
2.3 The Nonparametric Case
3. Mixing
   3.1 Introduction and Definitions
   3.2 Covariance Inequalities
   3.3 Moment and Exponential Probability Bounds
   3.4 Some Estimation Problems
   3.4.1 Estimation of the Distribution Function or Survival Function
   3.4.2 Estimation of a Probability Density Function and its Derivatives
   3.4.3 Estimating the Hazard Rate
   3.4.4 A Smooth Estimate of $F$ and $\tau$
   3.4.5 Recursive Estimation
   3.4.6 Fixed Design Regression
   3.4.7 Stochastic Design Regression
Part VII

24
Stochastic Ordering of Order Statistics II
Philip J. Boland, Taizhong Hu, Moshe Shaked and J. George Shanthikumar

1 Introduction 608
2 Likelihood Ratio Orders Comparisons 609
3 Hazard and Reversed Hazard Rate Orders Comparisons 611
4 Usual Stochastic Order Comparisons 615
5 Stochastic Comparisons of Spacings 615
6 Dispersive Ordering of Order Statistics and Spacings 618
7 A Short Survey on Further Results 620

25
Vehicle Routing with Stochastic Demands: Models & Computational Methods
Moshe Dror

1 Introduction 625
2 An SVRP Example and Simple Heuristic Results 627
2.1 Chance Constrained Models 630
3 Modeling SVRP as a stochastic programming with recourse problem 631
3.1 The model 633
3.2 The branch-and-cut procedure 635
3.3 Computation of a lower bound on $z^*$ and on $Q(x)$ 636
4 Multi-stage model for the SVRP 638
4.1 The multi-stage model 640
5 Modeling SVRP as a Markov decision process 641
6 SVRP routes with at most one failure – a more ‘practical’ approach 643
7 The Dror conjecture 645
8 Summary 646

26
Life in the Fast Lane: Yates’s Algorithm, Fast Fourier and Walsh Transforms
Paul J. Sanchez, John S. Ramberg and Larry Head

1 Introduction 652
2 Linear Models 653
2.1 Factorial Analysis 654
2.1.1 Definitions and Background 654
2.1.2 The Model 656
2.1.3 The Coefficient Estimator 658
2.2 Walsh Analysis 658
2.2.1 Definitions and Background 658
2.2.2 The Model 662
2.2.3 Discrete Walsh Transforms 662
2.3 Fourier Analysis 663
2.3.1 Definitions and Background 663
2.3.2 The Model 665
3 An Example 666
4 Fast Algorithms
   4.1 Yates’s Fast Factorial Algorithm
   4.2 Fast Walsh Transforms
   4.3 Fast Fourier Transforms
5 Conclusions
Appendix: A: Table of Notation

27
Uncertainty Bounds in Parameter Estimation with Limited Data
James C. Spall
1 Introduction
2 Problem Formulation
3 Three Examples of Appropriate Problem Settings
   3.1 Example 1: Parameter Estimation in Signal-Plus-Noise Model
       with Non-i.i.d. Data
   3.2 Example 2: Nonlinear Input-Output (Regression) Model
   3.3 Example 3: Estimates of Serial Correlation for Time Series
4 Main Results
   4.1 Background and Notation
   4.2 Order Result on Small-Sample Probabilities
   4.3 The Implied Constant of $O(\varepsilon)$ Bound
5 Application of Theorem for the MLE of Parameters in Signal-Plus-Noise Problem
   5.1 Background
   5.2 Theorem Regularity Conditions and Calculation of Implied Constant
   5.3 Numerical Results
6 Summary and Conclusions
Appendix: Theorem Regularity Conditions and Proof (Section 4)

28
A Tutorial on Hierarchical Lossless Data Compression
John C. Kieffer
1 Introduction
   1.1 Pointer Tree Representations
   1.2 Data Flow Graph Representations
   1.3 Context-Free Grammar Representations
2 Equivalences Between Structures
   2.1 Equivalence of Pointer Trees and Admissible Grammars
   2.2 Equivalence of Admissible Grammars and Data Flow Graphs
3 Design of Compact Structures
4 Encoding Methodology
5 Performance Under Uncertainty

Part VIII

29
Eureka! Bellman’s Principle of Optimality is valid!
Contents

Moshe Sniedovich

1 Introduction 735
2 Remedies 738
3 The Big Fix 739
4 The Rest is Mathematics 740
5 Refinements 744
6 Non-Markovian Objective functions 746
7 Discussion 748

Reflections on Statistical Methods for Complex Stochastic Systems 751

Marcel F. Neuts

1 The Changed Statistical Scene 751
2 Measuring Teletraffic Data Streams 754
3 Monitoring Queueing Behavior 757

Author Index 761
This volume titled MODELING UNCERTAINTY: An Examination of Stochastic Theory, Methods, and Applications, has been compiled by the friends and colleagues of Sid Yakowitz in his honor as a token of love, appreciation, and sorrow for his untimely death. The first paper in the book is authored by Sid’s wife – Diana Yakowitz – and in it Diana describes Sid the person, his drive for knowledge and his fascination with mathematics, particularly with respect to uncertainty modelling and applications. This book is a collection of papers with uncertainty as its central theme.

Fifty authors from all over the world collectively contributed 30 papers to this volume. Each of these papers was reviewed and in the majority of cases the original submission was revised before being accepted for publication in the book. The papers cover a great variety of topics in probability, statistics, economics, stochastic optimization, control theory, regression analysis, simulation, stochastic programming, Markov decision process, application in the HIV context, and others. Some of the papers have a theoretical emphasis and others focus on applications. A number of papers have the flavor of survey work in a particular area and in a few papers the authors present their personal view of a topic. This book has a considerable number of expository articles which should be accessible to a nonexpert, say a graduate student in mathematics, statistics, engineering, and economics departments, or just anyone with some mathematical background who is interested in a preliminary exposition of a particular topic. A number of papers present the state of the art of a specific area or represent original contributions which advance the present state of knowledge. Thus, the book has something for almost anybody with an interest in stochastic systems.

The editors have loosely grouped the chapters into 8 segments, according to some common mathematical thread. Since none of us (the co-editors) is an expert in all the topics covered in this book, it is quite conceivable that the papers could have been grouped differently. Part 1 starts with a paper on stability in queuing networks by H.J. Kushner. Part 1 also includes a queuing related

The efforts of many workers have gone into this volume, and would not have been possible without the collective work of all the authors and reviewers who read the papers and commented constructively. We would like to take this opportunity to thank the authors and the reviewers for their contributions. This book would have required a more difficult ‘endgame’ without Ray Brice’s ded-
ication and painstaking attention for production details. We are very grateful for Ray’s help in this project. Paul Jablonka is the artist who contributed the artwork for the book’s jacket. He was a good friend to Sid and we appreciate his contribution. We would also like to thank Gary Folven, the editor of Kluwer Academic Publishers, for his initial and never fading support throughout this project. Thank you Gary!

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This book is dedicated to the memory of Sid Yakowitz.
Chapter 1

PROFESSOR SIDNEY J. YAKOWITZ

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Tucson, Arizona

Sidney Jesse Yakowitz was born in San Francisco, California on March 8, 1937 and died in Eugene, Oregon on September 1, 1999. Sid’s parents, Morris and MaryVee, were chemists with the Food and Drug Administration and encouraged Sid to be a life-long learner. He attended Stanford University and after briefly toying with the idea of medicine, settled into engineering (“I saved hundreds of lives with that decision!”). Sid graduated from Stanford with a B.S in Electrical Engineering in 1960.

His first job out of Stanford was as a design engineer with the University of California’s Lawrence Radiation Laboratory (LRL) at Berkeley. Sid was unhappy after college but claimed that he learned the secret to happiness from his office mate at LRL, Jim Sherwood, who told him he was being paid to be creative. Sid decided that “Good engineering design is a synonym for ‘inventing’.”

For graduate school, Sid chose Arizona State University. By this time, his battle since childhood with acute asthma made a dry desert climate a mandatory consideration. In graduate school he flourished. He received his M.S. in Electrical Engineering in 1965, an M.A. in Mathematics in 1966, and Ph.D. in Electrical Engineering in 1967. His new formula for happiness in his work led him to consider each topic or problem that he approached as an opportunity to “invent”.

In 1966 Sid was hired as an Assistant Professor in the newly founded Department of Systems and Industrial Engineering at the University of Arizona in Tucson. This department remained his “home” for 33 years with the exception of brief sabbaticals and leaves such as a National Academy of Science Postdoctoral Fellowship at the Naval Postgraduate School in Monterey, California in 1970-1971.

In 1969 Sid’s book Mathematics of Adaptive Control Processes (Yakowitz, 1969) was published as a part of Richard Bellman’s Elsevier book series. This book was essentially his Ph.D. dissertation and was the first of four published
books. Latter Sid was instrumental in the popularization of differential dynamic programming (DDP). Overcoming the “curse of dimensionality” made possible the solution of problems that could at that time only be solved approximately, for example, high dimensional multireservoir control problems. His paper with then Ph.D. student Dan Murray in Water Resources Research (Murray and Yakowitz, 1979) demonstrated quite dramatically what could be done with DDP.

In addition to his own prolific accomplishments Sid had another important talent - the ability to recognize talent in others. He enthusiastically collaborated with colleagues on numerous subjects including hydrology, economics, information-theory, statistics, numerical methods, and machine learning.

Sid’s international work started in 1973 with his participation in a joint NSF sponsored US-Hungarian research project. According to Ferenc Szidarovszky (Szidar), also involved in the project, his extraordinary talents in combining probabilistic and statistical ideas with numerical computations made him one of the most important contributors. Several papers on uncertainty in water resources management, conference presentations, and invited lectures were the result of this grant that was renewed until 1981. This was the period that he had the most intensive collaboration with his many Hungarian colleagues. This cooperation also resulted in the two textbooks on numerical analysis with Szidar, Principles and Procedures of Numerical Analysis (Szidarovszky and Yakowitz, 1978) and An Introduction to Numerical Computations (Yakowitz and Szidarovszky, 1986). Long after the project terminated, Sid continued to collaborate with Hungarian scientists who often visited him in Tucson enjoying his hospitality.

Sid’s ability in combining probabilistic ideas and numerical computations made him an expert in simulation. His book Computational Probability and Simulation (Yakowitz, 1977) is considered one of the best of its kind. His paper on weighted Monte-Carlo simulation (Yakowitz et al., 1978) offered a new integration method that was much faster than the known classical procedures.

Sid had a very successful six year cooperation with Professors Columban Hutter, of ETH Zurich, and Szidar working on an NSF sponsored project on the mathematical modeling and computer solutions of ice-sheets, glaciers and avalanches. In this work, Sid’s expertise on numerical analysis was the essential factor in solving large-scale differential equations with unusual boundary and normalizing conditions (Yakowitz et al., 1985; Hutter et al., 1986a; Yakowitz et al., 1986; Hutter et al., 1986b; Hutter et al., 1987; Szidarovszky et al., 1987; Hutter et al., 1987; Szidarovszky et al., 1989).

Sid’s algorithmic way of thinking resulted in two major contributions to game theory. With Szidar he developed a new proof for the existence of a unique equilibrium of Cournot oligopolies, which is constructive, offering an algorithm to find the equilibrium. This paper, (Szidarovszky and Yakowitz, 1977) is one of
the most cited papers in this field and has been republished in the Handbook of Mathematical Economics. They could also extend the constrictive proof for the case when the price and cost functions are not differentiable. They proved that even in the case of multiple equilibria, the total output of the industry is unique and the set of all equilibria is a simplex. They also considered the effect of coalition formation on the profit functions (Szidarovszky and Yakowitz, 1982).

Sid was an expert in time series, both parametric and nonparametric. On the nonparametric side he made contributions regarding nearest neighbor methods applied to time series prediction, density and transition function estimation for Markov sequences, and pattern recognition (Denny and Yakowitz, 1978; Schuster and Yakowitz, 1979; Yakowitz, 1979; Szilagyi et al., 1984; Yakowitz, 1987; Yakowitz, 1988; Yakowitz, 1989d; Rutherford and Yakowitz, 1991; Yakowitz and Lowe, 1991; Yakowitz and Tran, 1993; Yakowitz, 1993a; Morvai et al., 1998; Yakowitz et al., 1999). In particular Sid worked in the area of stochastic hydrology over many years including analyzing hydrologic time series such as flood and rainfall data to investigate their major statistical properties and use them for forecasting (Yakowitz, 1973; Denny et al., 1974; Yakowitz, 1976; Yakowitz, 1976; Szidarovszky and Yakowitz, 1976; Yakowitz, 1979; Yakowitz and Szidarovszky, 1985; Karlsson and Yakowitz, 1987a; Karlsson and Yakowitz, 1987b; Naokes et al., 1988; Yakowitz and Lowe, 1991).

On the parametric side, Sid applied his deep understanding of linear filtering of stationary time series in the problem of frequency estimation in the presence of noise. Here he authored several papers on frequency estimation using contraction mappings, constructed from the first order auto-correlation, that involved sophisticated sequences of linear filters with a shrinking bandwidth. In particular, he showed that the contraction mapping of He and Kedem, which requires a certain filtering property, can be extended quite broadly. This and the shrinking bandwidth were very insightful (Yakowitz, 1991; Yakowitz, 1993c; Li et al., 1994; Kedem and Yakowitz, 1994; Yakowitz, 1994a).

He found numerous applications of nonparametric statistical methods in machine learning (Yakowitz, 1989c; Yakowitz and Lugosi, 1990; Yakowitz et al., 1992a; Yakowitz and Kollier, 1992; Yakowitz and Mai, 1995; Lai and Yakowitz, 1995). As a counterpart to his earlier work on numerical computation, Sid introduced a course at the University of Arizona on Non-numerical Computation. This course, which resulted in an unpublished textbook on the topic, developed methods applicable to machine learning, games and epidemics. Sid loved this topic dearly and enjoyed teaching it. He continued to explore this area up to the time of his death.

In 1986 Sid met Joe Gani, and they worked together intermittently from that time until his death. Over a period of 13 years, Sid and Joe (together with students and colleagues) wrote 10 joint papers. Their earliest interest was in the silting of dams, which they studied (with Peter Todorovic of UCSB) (Gani et al.,