



DEPARTMENT OF THE NAVY

NAVAL POSTGRADUATE SCHOOL  
1 UNIVERSITY CIR  
MONTEREY, CA 93943-5000

IN REPLY REFER TO:  
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6 Jul 10

FIRST ENDORSEMENT on Chair, Board of Advisors Naval Postgraduate  
School ltr of 22 June 2010

From: President, Naval Postgraduate School  
To: Secretary of the Navy  
Via: Chief of Naval Operations

Subj: FIFTY-THIRD MEETING OF THE BOARD OF ADVISORS TO THE  
PRESIDENT, NAVAL POSTGRADUATE SCHOOL

1. Forwarded, fully supporting recommendations and comments provided by the Board of Advisors.
2. The Naval Postgraduate School (NPS) will take action on issues that are within the School's purview.
3. I would like to thank Lee Gunn for his dedicated support and outstanding efforts as Chair of this Board.

  
DANIEL T. OLIVER

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22 June, 2010

From: Chair, Board of Advisors, Naval Postgraduate School  
To: Secretary of the Navy  
Via: (1) President, Naval Postgraduate School  
(2) Chief of Naval Operations

Subj: FIFTY-THIRD MEETING OF THE BOARD OF ADVISORS TO THE  
PRESIDENT, NAVAL POSTGRADUATE SCHOOL

Ref: (a) Public Law 92-463, Federal Advisory Committee  
Act  
(b) SECNAVINST 1524.2B  
(c) Charter for the Board of Advisors to the  
Presidents of the Naval Postgraduate School and the  
Naval War College (NPS/NWC BOA) filed 31 March 2010  
(d) SECNAV Memorandum of 22 April 2010 for Ms. Jaye  
Panza: Appointment as Designated Federal Official for  
the NPS/NWC BOA

Encl: (1) List of Board Members and Visitors in Attendance  
(2) Recommended membership for the core board and  
committees of the NPS/NWC BOA  
(3) NPS Faculty Awards and Recognition

1. In accordance with references (a) and (b), the Naval Postgraduate School (NPS) Board of Advisors met on 27, 28 April 2010 at the Naval Postgraduate School, Monterey, California. Members who attended are listed in Enclosure (1).

2. The Board is pleased to report NPS continues to provide an exceptional graduate level education to future strategic leaders of the armed forces of the U.S. and its coalition partners. The occasion of our spring meeting, always at the School in Monterey, affords Advisors the opportunity to meet with students and faculty, see the facilities, and gain a sense of the important research being conducted by faculty and students. Advisors who attended were, once again, most impressed by the dedication of the people of NPS and the relevance of the work they do.

3. The Board appreciates, however, the potential for the Nation's fiscal crisis and consequent defense resource limitations to affect NPS' resources. We will continue to work with NPS leaders to ensure the school's resources are put to the best possible use, and we will also continue to highlight to Navy uniformed leaders and to you, Mister Secretary, those areas where we see resources falling short of the university's needs in carrying out its missions.

4. This was the last meeting of the Board devoted solely to the affairs of the Naval Postgraduate School. Reference (c) is the draft charter of the combined Board of Advisors to the Presidents of the Naval Postgraduate School and the Naval War College. Reference (d) appoints Ms. Jaye Panza of the Naval Postgraduate School staff as the Designated Federal Official for the combined boards.

The "core board" serving both Presidents is to consist of a Chairman and no more than nine other members. There will be two sub-boards, essentially committees that each will focus on the affairs of one institution. We recommend the line up of members shown in Enclosure (2) for the newly constituted board.

The first meeting of the new board will be in the Washington, DC area on 19-20 October, 2010. We envision this inaugural meeting will be devoted to introducing new and continuing members to both the War College and the Postgraduate School. We would be grateful if you would visit during that meeting and share with the members your vision and objectives for the two institutions. We will send you an invitation separately soon.

We ask that you urge the early approval of the candidate members listed in enclosure (2) in order to permit the board to function as you intend.

5. On October 29, 2009, NPS held an all-day Cyber Summit sponsored by the deans of GSOIS and research. Fourteen faculty members from seven departments gave 11 presentations. The presentations focused on fundamental issues under investigation by the faculty. The participating departments were Computer

Science, Electrical and Computer Engineering, Information Science, Operations Research, Mathematics, Physics, and Defense Analysis. Over 100 people attended the summit. In a survey of departments prior to the summit, NPS identified 50 more NPS researchers (beyond the presenters) working in cyber related fields.

After the meeting, the summit steering committee outlined a general plan for cyber education and research to the President and Provost. The plan called for greater internal mutual awareness of cyber activities and for the design of a cyber certificate that all NPS students and others could take. It called for the university's Cebrowski Institute to become the focus of cyber research at NPS.

The university will, in the opinion of Board Members, continue to be an important intellectual resource for technology and operations in the growing cyber efforts of the Departments of the Navy and Defense.

6. NPS Dean of Research Karl van Bibber visited AFIT in August 2009; he and his counterpart, Dr. Heidi Ries subsequently carried out surveys at their institutions to learn what recent and ongoing collaborations existed between NPS and AFIT. Several projects were identified in the areas of meteorology, remote sensing, directed energy, advanced lasercom, combat aircraft survivability, electronic device manufacturing, and systems engineering. A new and promising initiative in this latter area "Research on Building Education and Workforce Capacity" is being supported at \$600K/year for each school by ODDR&E and OSD. NPS intends to host a visit by Dr. Ries in coming months. It remains an open question how to capture information on new collaborations being formed at the faculty-to-faculty level. Both institutions are committed to expanding the interaction.

The Board asks that NPS staff provide an update on collaborations with AFIT at the October 2010 meeting.

7. The process of reaccreditation of NPS by the Western Association of Schools and Colleges (WASC) is proceeding well.

This summer's activities are leading up to the next, and final, major milestone in this careful look at the educational quality of NPS. The Educational Effectiveness Review is underway now and is slated to culminate in a final WASC visit to the university 25-28 October 2010.

As the Naval War College is embarking on its reaccreditation process soon also, the NPS President and the Board may be able to convey some lessons that will be of use to the NWC President and his staff.

8. NPS is contributing to the Navy's efforts to increase the fleet's energy efficiency and to demonstrate bio-derived alternative fuels. Prof. Chris Brophy from the Mechanical and Aerospace Department is being funded by ONR and DARPA under the Vulcan Program to help create the next generation of pulse detonation combustion systems to be incorporated in engines for power and propulsion. While current technology gas turbine combustors have a pressure drop, these new systems will produce a positive pressure rise leading to greatly increased efficiencies. For shipboard applications this would translate into a 15-20 percent reduction in fuel use. Professors Knox Millsaps and Jose Sinibaldi are sponsored by ONR to support NAVSEA and NAVAIR in achieving your stated goals, Mister Secretary, of utilizing bio-derived Hydro Reformed Jet (HRJ) in platforms in 2012 and the larger and more ambitious "Great Green Fleet" demonstration in 2016. NPS efforts focus on both near term fuel certification for performance and function to ensure fuel system and gas turbine hardware compatibility with these new fuels, as well as longer term research in the combustion characteristics of JP-5 and F-76 blends, to prevent possible problems with lean blowout and combustion instabilities.

The Board is asking that NPS provide a briefing during the October meeting that updates the information on work that NPS faculty and students are doing that aligns well with your energy performance initiatives.

9. New construction at NPS takes prospective energy savings seriously too. The design of one new, LEED Gold Certified

building will incorporate sustainable strategies and features to minimize energy consumption and adverse effects on the environment, conserve resources, and improve occupant productivity, health and comfort. These strategies and features will include energy enhancements such as a ground source heat pump to provide cooling, reuse of rain water run-off, roof mounted PV panels and direct solar panels.

There is more happening too in new construction to support NPS' educational mission. P-197 will provide the Graduate School of Business and Public Policy with six large classroom spaces for 36 students each, a pair of which will be designed to open into one larger lecture space as needed, and several smaller break-out rooms. The 12K square feet of much needed classroom space will be equipped with the latest technology audio visual and smart classroom equipment. The Lobby will function as a small assembly space and open onto the pedestrian plaza.

The building will be built adjacent to Ingersoll Hall (GSBPP), and the Knox Library. Once construction of this building has been completed, NPS will be able to convert some of the older classroom spaces in Ingersoll Hall into other academic uses.

10. Recent formal recognition of outstanding members of the NPS faculty and student body is listed at enclosure (3). The world class NPS faculty, paired with the superb research program alluded to below, represent a vital educational asset to the military and the nation.

11. A vigorous and relevant sponsored research program is essential to quality graduate education at any research oriented American university. The Postgraduate School has such a program and it has grown substantially in the past decade. Funding for the program is provided by numerous research organizations such as the Office of Naval Research, the National Science Foundation, the Air Force Office of Scientific Research, etc. The financial support accompanying these research projects is not without problems, however.

With the increase in both scope and scale of sponsored projects, the funds that NPS needs to manage its overhead costs (e.g.,

laboratory equipment, departmental support technicians and administrators) that are specifically related to NPS's research activities cannot be accommodated on the margin from the funds provided by the Navy for NPS to accomplish its teaching mission. With reimbursable funding currently outpacing Navy mission funding by two or three times, the overhead cost recovery for reimbursable activities must be appropriate to the volume and scale of services provided.

Reimbursable activities at NPS (reimbursable education and training as well as research) generally carry an overhead rate of about 28%. For research in particular, this rate is very low when compared to civilian higher education research universities where rates are two or more times NPS' rate. (Part of the reason the NPS rate is so low is because the costs of most NPS facilities where research is conducted are not included in the NPS rate, as the Navy provides support for NPS facilities through the SW Region, while civilian universities do include the costs of facilities in their rates.) This relatively low rate, when combined with the unique talents and skills of NPS' faculty and students and the increasing needs for research from the Navy and other DoD sponsors, has led to substantial growth in NPS reimbursable research activities.

The problem NPS is now grappling with stems from a lack of specific policy guidance from the Navy authorizing NPS to collect overhead for reimbursable activities. The Navy had provided policy guidance in the past that was eliminated with the implementation of the DoD Financial Management Regulations. Assistant Secretary of the Navy Gladys Commons has committed to President Oliver that her office will work with NPS to provide policy guidance to allow NPS to collect reimbursable costs, along with the appropriate overhead, for Navy and other DoD customers. This policy guidance will address questions that have been raised over the past several years by the Naval Inspector General, by the Naval Audit Service, by BUPERS, and by this Board.

12. Stability of education funding is a critical NPS issue for both accreditation and operational reasons. Potential out-year

funding reductions put at risk NPS' ability to continue delivery of education at the current level of quality and range of programs. The unique circumstances associated with operating a top-quality, defense-focused graduate university in a federal setting, make unanticipated budget reductions or large fluctuations disproportionately difficult to administer. The Board was pleased to learn recently that NPS' funding for the FY12 POM is anticipated to be relatively stable over an extremely fiscally stressed timeframe. Our view is that, for the best educational and research outcomes, that stability and predictability must continue.

13. As you are aware, Mister Secretary, the fine faculty at NPS is the nucleus of the educational and research accomplishments. Recruiting and retaining the talented NPS faculty has succeeded in spite of stringent federal salary caps and the high cost of living on and near the Monterey Peninsula. Past initiatives to address these twin problems have met with some success. More may be needed. The Board is aware the President of NPS and his staff are investigating options that might be termed "creative compensation." We applaud their effort and look forward to hearing more on this vital subject from the staff at our future meetings.

14. Finally, Mister Secretary, the NPS Board of Advisers believes the Navy Department, the Navy, and the University should consider creating a new strategic hiring program for long term and difficult to fill faculty positions. Filling faculty positions in some disciplines consistently pits NPS against severe competition from other institutions, making it nearly impossible to hire and retain individuals for those positions. The Board considered one recommendation very positively at this meeting: offer active duty members, identified by selection board, a PhD education followed by four to six years of service on the NPS faculty in one of the tough to fill specialty positions. The idea was embraced by senior faculty at NPS present for the discussion. This process is akin to one used in the past at the Naval Academy. The Chief of Naval Personnel (a Board member) participated in the Board discussions.

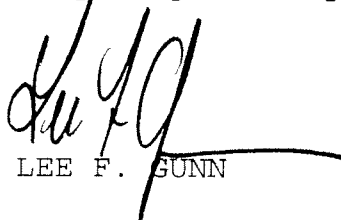


We will continue this discussion at our fall meeting. If this approach was used on a limited basis, for hard to fill positions, it would not upset the important academic character of the (mostly civilian) faculty. The military members would, though, add military experience, in small amounts, that could benefit students and faculty alike.

15. As noted above, the next meeting of the Board, this time as the Board of Advisors to the Presidents of the Naval Postgraduate School and the Naval War College, will be 19, 20 October 2010, at a place to be announced, in the Washington DC area.

16. Mister Secretary, we thank you sincerely for your continuing support for the Naval Postgraduate School and recommend that you visit the university at your earliest opportunity.

Very respectfully submitted,



LEE F. GUNN

Copy to:  
CMC  
ACMC  
VCNO  
DCNO N1  
DCNO N4  
DNS - 32  
President, Naval War College  
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FIFTY-THIRD MEETING OF THE BOARD OF ADVISORS TO THE PRESIDENT,  
NAVAL POSTGRADUATE SCHOOL  
27 - 28 April 2010  
Monterey, California

MEMBERSHIP ATTENDANCE LISTING:

Mr. Walter Anderson  
VADM Mark Ferguson, USN  
Dr. Robert Fossum  
VADM Lee Gunn, USN (Ret)  
Lt Gen Allen Peck, USAF  
Dr. John Yaeger (for VADM Ann Rondeau)  
Dr. Graham Spanier  
Dr. Walter Jones (for RADM Nevin Carr)  
COL Bobby A. Towery, USA (for MG Robert Williams)  
MGen Melvin Spiese, USMC

DISTINGUISHED GUESTS:

ADM T. Joseph Lopez, USN (Ret)  
Dr. Elisabeth Pate-Cornell  
VADM Lyle Bien, USN (Ret)

AIR UNIVERSITY/AIR FORCE INSTITUTE OF TECHNOLOGY ATTENDEES:

CAPT Timothy Duening, USN Air Force Institute of Technology



- Dr. Dorothy Denning was named a 2010 Security Superstar - Visionary by the Everything Channel. View the full slate of awardees at <http://www.crn.com/security/223100880>.
- Distinguished Prof. Dorothy Denning of Defense Analysis was also honored as the namesake on NJCU's Dr. Dorothy E. Denning National Center of Excellence in Information Assurance Education.
- Associate Professor Thomas W. Lucas, Department of Operations Research, Graduate School of Operational and Information Sciences, has been elected as the NPS Academic Year 2009 Richard W. Hamming Teaching Award winner in recognition of his exceptional teaching.
- Assistant Prof. Marcello Romano, MAE, has been elected as an Associate Fellow in the American Institute of Aeronautics and Astronautics (AIAA).
- Assoc. Prof. Dick Doyle, GSBPP, has accepted a nomination to the International Advisory Board of the Institute for Democracy and Development, part of South East European University, in Tetovo (Republic of Macedonia).
- Senior Lecturer John Dillard received the Navy's Meritorious Civilian Service Medal from GSBPP Dean Bill Gates. Dillard was honored for his efforts with the National Research Council in optimizing U.S. Air Force acquisition program reviews.
- The Internet Society announced its award of the 2009 Jonathan B. Postel Service Award to CSNET, which was the experimental networking project that bridged the work done on ARPANET with what we know today as the Internet. Dr. Peter Denning, Professor, Chair, and Director of the Cebrowski Institute, was one of the four Principal Investigators of CSNET.
- Distinguished Professor status was conferred by Provost Leonard Ferrari on Drs. Dorothy Denning, Kevin Wood, Robert Looney, Michael Morgan and Nancy Haegel.
- Associate Prof. Ron Fricker was selected as a 2009 Fellow of the American Statistical Association for his contributions to the statistical profession.
- Prof. Art Krener of MA has been selected as a Fellow of the Society for Industrial and Applied Mathematics.



- Prof. Uday Apte was awarded the Distinguished Service Award for 2009 by the Production and Operations Management Society at their Annual Conference in Orlando, Fla.
- Distinguished Prof. Chih-Pei Chang was appointed Co-Chief Editor of World Scientific Series on Earth System Science in Asia, a project cosponsored by the World Meteorological Organization (WMO).
- Profs. Moshe Kress and Johannes Royset won the MOR Journal Award for their paper "Aerial Search Optimization Model (ASOM) for UAVs in Special Operations."
- Profs. Dave Lamm, Juanita Rendon, and Rene Rendon of GSBPP were presented awards at the 2009 National Contract Management Association (NCMA) World Congress in Long Beach, CA.
- Richard W. Hamming Award for Interdisciplinary Achievement: Keith F. Snider and retired Rear Adm. James B. Greene.
- Physics Prof. Nancy Haegel, was also recognized at the ceremony as the recipient of the Rear Adm. John Jay Schieffelin Award for Teaching Excellence.
- Assistant Professor Jomana H. Amara of the Defense Resources Management Institute is a recipient of a 2009 Fulbright Scholarship.
- Distinguished Professor Donald P. Gaver, Jr. of the Operations Research (OR) department was honored as the 2009 recipient of the U.S. Army's Wilkes Award.

**Board of Advisors to the Presidents of the Naval Postgraduate School and the  
Naval War College (Overarching FACA Board)**

VADM Lee F. Gunn, USN (Ret) Board Chair  
President, Institute for Public Research  
CNA Corporation

Dr. Graham B. Spanier  
President, PENN State University

VADM Mark Ferguson, USN  
Chief of Naval Personnel

MajGen Melvin Spiese, USMC  
Commanding General, Training & Education Command

Dr. Paul J. Bracken  
*In nomination process*  
Professor of Management & Political Science  
Yale School of Management

Ambassador Nancy E. Soderberg  
*In nomination process*  
Distinguished Visiting Scholar  
University of North Florida

**Board of Advisors to the President, Naval Postgraduate School Sub-committee**

VADM Lee F. Gunn, USN (Ret) Board Chair  
President, Institute for Public Research  
CNA Corporation

Mr. Walter Anderson  
Private Consultant

Mr. Michael Bayer  
President/CEO  
Dumbarton Strategies

Honorable Jack Borsting  
Professor & Dean Emeritus  
University of Southern California

Dr. Robert Fossum  
Private Consultant

VADM David E. Frost, USN (Ret)  
President, Frost & Associates

Dr. Graham B. Spanier  
President, PENN State University

ADM T. Joseph Lopez, USN (Ret)  
Private Consultant

VADM Lyle G. Bien, USN (Ret)  
Private Consultant

Dr. Elisabeth Paté-Cornell  
Professor & Chair  
Stanford University

Honorable G. Kim Wincup  
Vice President  
Science Applications International Corp.

MajGen Melvin Spiese, USMC  
Commanding General, Training & Education Command

VADM Mark Ferguson, USN  
Chief of Naval Personnel

MG Robert Williams, USA  
Commandant, Army War College

RADM Nevin Carr, USN  
Chief of Naval Research

VADM Ann E. Rondeau, USN  
President, National Defense University

Lt Gen Allen G. Peck, USAF  
Commander, Air University

(2 Vacancies TBD)

<b>Board of Visitors to the President, Naval War College Sub-Committee</b>
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*Prospective Members - All in Nomination Process*

Mr. Thomas M. Culligan  
Executive Vice President of Business Development  
Raytheon Company

Honorable Franklin C. Miller  
Independent Consultant & Senior Counselor  
The Cohen Group

Ambassador Nancy E. Soderberg  
Distinguished Visiting Scholar  
Univeristy of North Florida

Dr. Paul J. Bracken  
Professor of Management & Political Science  
Yale School of Management

Mr. Benjamin J. Cohen  
Professor

University of California at Santa Barbara

ADM James G. Stavridis, USN  
Supreme Allied Commander, Europe/  
Commander, U.S. European Command

Dr. Robert L. Pfaltzgraff, Jr.  
Professor  
The Fletcher School/Tufts University