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FOR: SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

FROM: Dov S. Zakheim

SUBJECT: Commander's Emergency Response Program (CERP)

- As you know, the Coalition Provisional Authority had established and funded CERP using seized Iraqi assets. Last month, the Coalition Provisional Authority provided an additional $50 million resulting in a total funding amount of $145.5 million for CERP. This should have financed CERP requirements into next year.

- By tomorrow, we will direct the Army to provide $60 million of its baseline FY 2004 resources to the Commander of the Central Command (CENTCOM) to continue the CERP for Iraq. This $60 million represents one-third of the $180 million authority provided for CERP in the recently enacted FY 2004 Supplemental.

- The U.S. CENTCOM is currently determining the funding split between Iraq and Afghanistan. Once this distribution is known, the remaining $120 million will be released to the Army in order to finance the remaining CERP requirements.

- We intend to backfill the Army with a transfer from the $2 billion provided to the Iraq Freedom Fund in the recently enacted FY 2004 Supplemental.

- In keeping with the spirit of the program's purpose, flexibility, and responsiveness, the Joint Staff, U.S. CENTCOM, and my staff are preparing guidance on proper custody and accounting procedures for appropriated CERP funds.

Prepared By: (b)(2) (b)(6) [redacted]

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