

From: Daniel Sabba <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
CC: Vahe Stepanian <[REDACTED]>, Ariane Dwyer <[REDACTED]>
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President Dilma Rousseff has invited Aviation Minister Eliseu Padilha of the PMDB to replace Pepe Vargas (PT) as Secretary of Institutional Affairs (liaison with Congress). The arrangement would allow Rousseff to keep two protégées of Lower House Speaker Eduardo Cunha (PMDB) and Senate Speaker Renan Calheiros (PMDB) in the cabinet, hoping that these two influential politicians will tone down their opposition against the government. Padilha has not accepted the offer yet, and he is allegedly reluctant to do so because he thinks that Chief of Staff Aloizio Mercadante (PT) is the person who really is and will continue to be responsible for Rousseff's political coordination. In any case, the invitation shows that Rousseff is yielding to the pressure and accepting the fact that it will be difficult for her to govern without increasing the share of the PMDB in the federal administration (which is what former president Lula is allegedly telling her to do). In theory, this is good news, as it could improve the chances of passing the fiscal measure in Congress (although newsmagazine Veja is reporting that the government would still not pass anything if the votes took place today) and also further reduce the risk of Rousseff's impeachment (which we think is low anyway).

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