Exhibit K

This memorandum is respectfully submitted by defendant The Port Authority of New York and New Jersey (the "Port Authority") in opposition to plaintiffs Automobile Club of New York Inc. d/b/a AAA New York and AAA New Jersey, Inc.'s ("AAA" or "Plaintiffs") motion to compel the production of documents withheld pursuant to the deliberative process privilege.

PRELIMINARY STATEMENT

Plaintiffs' motion to compel seeks an extraordinary and baseless intrusion into documents protected by the Port Authority's deliberative process privilege. In this litigation, AAA has alleged violations of the dormant Commerce Clause and 33 U.S.C. § 503 (the "Highway Act") by the Port Authority in connection with the toll increases on the Port Authority's bridges and tunnels that went into effect in October 2011. AAA's two claims are based on the unsupported theory that the Port Authority is diverting toll revenues derived from these increases away from its aging bridges, tunnels and PATH facilities known as the Interstate Transportation Network (the "ITN") in order to fund the redevelopment of the World Trade Center, a facility outside of the ITN.

The Court previously rejected AAA's injunction request, acknowledging that the Port Authority had provided a "detailed financial picture" that "suggests that the toll increases fund only ITN structures in a functional relationship with the bridge users," and are therefore legally permissible. *Auto. Club of N.Y., Inc. v. Port Auth. of N.Y. & N.J.* ("*AAA v. Port Authority*"), 842 F. Supp. 2d 672, 678 (S.D.N.Y. 2012). The Court converted the Port Authority's dismissal motion into a motion for summary judgment in order to permit AAA to conduct appropriate discovery into the financials of the ITN since some of the Port Authority's submitted material had not previously been publicly available. *Id.* at 681. The Port Authority has since provided AAA with over 30,000 pages of documentary evidence relating to the finances of the ITN that exhaustively detail ITN revenues, expenses, state-of-good-repair costs, and critical capital needs. This evidence was corroborated through the deposition testimony of the key Port Authority personnel most knowledgeable about the Port Authority's finances

and capital needs, as well as the reasons presented to the Port Authority's Board of Commissioners regarding the proposed increase. These senior executives were made available for extensive questioning by AAA.

All of the evidence adduced has confirmed the simple fact that the ITN operates at a deficit, with revenues generated from the ITN unable to fund its operations and capital needs. Independent, third parties have confirmed this fundamental finding in public reports detailing the Port Authority's ITN finances, with one concluding that the "Interstate Transportation Network's . . . operating cash flow is insufficient to cover its own capital expenditure needs" and that "the proceeds of [toll] increases are vital to fund Port Authority infrastructure projects." Declaration of Alexander H. Southwell, dated Aug. 28, 2013 ("Southwell Decl."), Ex. 9, at 5, 47. As the ITN operates at a deficit, there cannot be any revenues from the ITN available to be diverted to fund other Port Authority operations, including the construction of the World Trade Center.

Faced with this discovery, Plaintiffs switched tactics mid-stream in an attempt to make this case about supposed subjective intent, instead of objective reality. As such, Plaintiffs have sought—and obtained—extensive non-privileged documentary discovery and deposition testimony relating to the reasons for the toll increase, including those reasons presented to the Port Authority's Board of Commissioners in advance of their approval of the 2011 toll increases. Despite this discovery, Plaintiffs now seek to invade the Port Authority's protected deliberative process and compel disclosure of the Port Authority's privileged, high-level policy deliberations regarding "the toll increase decision-making process by the Port Authority and its Commissioners . . . ." Pls.' Br. 2. None of the arguments set forth in Plaintiffs' motion to compel come close, however, to justifying such a breach of the Port Authority's deliberative process privilege, a long-established privilege in our jurisprudence that enables governmental agencies to conduct the type of candid policy debates necessary for the effective functioning of government.