

United States Senate

WASHINGTON, DC 20510

April 15, 2025

Edward A. Kelly
General President
International Association of Fire Fighters
1750 New York Avenue NW, Suite 300
Washington, D.C. 20006

Dear IAFF President Kelly:

We write seeking information on the impacts of private equity roll-ups of fire truck manufacturers, and the adverse impact of this consolidation on fire fighter and public safety. The lack of competition in the industry has allowed private equity to hike fire truck prices, restrict fire truck production, and created a dangerous backlog of firefighting equipment. While CEOs and shareholders pad their pockets, consolidation in the industry impedes fire fighters' ability to do their jobs safely and effectively, squeezes fire departments' budgets, and forces taxpayers to bear the consequences. We have heard from dozens of fire departments in Massachusetts, Indiana, and elsewhere about difficulties they have faced related to serial roll-ups of fire truck manufacturers, including delivery delays, defective parts, and price increases.¹ IAFF members on the frontlines protecting our communities struggle with this problem every day, and we want to better understand how we can be helpful.

Private equity consolidation of fire truck manufacturers has led to higher costs and a nationwide shortage of fire trucks. In 2006, private equity group American Industrial Partners (AIP) began rolling up independent fire equipment manufacturers.² Since then, AIP has acquired fire truck manufacturers E-ONE, KME, Ferrara, and Spartan, and consolidated the entities into a company called REV Group.³ In 2017, the year following REV Group's acquisition of major fire truck manufacturer KME, the company's share of the U.S. fire truck manufacturing market jumped from 4.6 percent to 22.6 percent.⁴ Today, as a result of additional fire truck manufacturer acquisitions, REV Group controls the largest share of the fire truck manufacturing market, at

¹ Correspondence from Fire Chiefs in Worcester, Springfield, Lynn, Reading, Ayer, Groton, Westford, Westport, Acushnet, Freetown, North Attleboro, Berkley, Fairhaven, Holland, Auburn, Dudley, Millbury, Northbridge, Webster, West Boylston, Lunenburg, Devens, Sterling, Grafton, Dedham, Malden, Newton, Waltham, Watertown, Wellesley, and Winthrop to Senator Elizabeth Warren, on file with the Office of Senator Elizabeth Warren; correspondence and meetings with Indiana fire chiefs, mayors, and other local officials, on file with the Office of Senator Jim Banks.

² Alta Fox Capital, "Rev Group, Inc. (REVG)," May 3, 2024, p. 4, https://static1.squarespace.com/static/5aaacb57506fbc4636414126/t/6638598f84296766c804bd80/1714968976227/Alta+Fox+REVG+Presentation+Final_wv.pdf.

³ Fire Apparatus & Emergency Equipment Magazine, "REV Group Invests in the Strength of Fire Apparatus Brands," Chris McLoone, July 1, 2020, <https://www.fireapparatusmagazine.com/fire-apparatus/ladder-trucks/rev-group-invests-in-the-strength-of-fire-apparatus-brands/>.

⁴ Congressional Research Service, On file with the Office of Senator Elizabeth Warren.

approximately 33 percent.⁵ As of 2023, it was estimated that independent companies make up only 20 percent of the market.⁶

The largest fire truck manufacturers are exploiting their market power to hike fire truck prices and restrict fire truck supply. As one Massachusetts fire chief stated, “The large conglomerate purchase of the smaller manufacturers has given them leverage to drive the price of apparatus beyond anything we could have anticipated.”⁷ According to an Indiana mayor, “Our city can purchase land for a new fire station, build the station, and hire firefighters, yet still face over a year-long wait for a fire truck to be manufactured. These long wait times, coupled with rising costs, threaten our ability to provide lifesaving services and pose a national security concern for municipalities across the country.”⁸ In 2013, a pumper truck cost \$500,000, and a ladder truck cost \$900,000.⁹ Today, the prices have skyrocketed to nearly \$1 million and \$2 million, respectively, far outpacing inflation for heavy duty truck manufacturing over that time period.¹⁰ Fire chiefs in Massachusetts have faced extreme price increases when purchasing E-ONE fire trucks in particular: in 2021, an E-ONE pumper truck cost \$650,000. By 2024, the cost for a nearly identical truck rose to over \$1 million.¹¹

In addition, manufacturers may implement “floating” prices, increasing the final price of a fire truck after it goes into production, which due to production delays could be years after the fire department initially ordered the truck.¹² For example, one fire department in Massachusetts ordered one fire truck in 2022 and then added two more trucks to the original order in 2023, because the original truck had not even gone into production. After the second order, the company added \$150,000 to the price of the truck ordered in 2022, to match the price of the trucks ordered in 2023, and told the fire department that if they did not agree to the price increase, the company would not deliver the truck. The fire chief shared, “we were compelled to pay this increase out of fear that the process to get apparatus would take too long and we would not be able to provide service to our community.”¹³ In another example, a fire department in

⁵ Fire Apparatus & Emergency Equipment Magazine, “REV Group Invests in the Strength of Fire Apparatus Brands,” Chris McLoone, July 1, 2020, <https://www.fireapparatusmagazine.com/fire-apparatus/ladder-trucks/rev-group-invests-in-the-strength-of-fire-apparatus-brands/>; IBIS World, “Fire Truck Manufacturing in the US - Market Research Report (2014-2029),” Oliwier Samorajski, December 2024, <https://www.ibisworld.com/united-states/industry/fire-truck-manufacturing/5645/>.

⁶ REV Group, “2017 Annual Report,” p. 9, <https://investors.revgroup.com/~media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2017.pdf>.

⁷ On file with the Office of Senator Elizabeth Warren.

⁸ On file with the Office of Senator Jim Banks.

⁹ Green Township Fire & EMS, “An Evaluation of Fire Apparatus Usage and Operating Cost for Green Township Fire & EMS,” Chris Godfrey, August 2, 2013, p. 8, http://www.ohiofirechiefs.com/aws/OFCa/asset_manager/get_file/77188.

¹⁰ Firehouse, “Despite Grant, PA Dept. Says Rising Apparatus Costs a Challenge,” Patrick Varine, August 3, 2023, <https://www.firehouse.com/apparatus/news/53068052/despite-fire-act-grant-export-pa-fire-department-says-rising-fire-apparatus-costs-a-challenge>; Waupun Pioneer News, “City Council approves purchase of new fire ladder truck and police squad car,” Jaedon Buchholz, January 22, 2025, <https://waupunpioneer.com/2025/01/22/city-council-approves-purchase-of-new-fire-ladder-truck-and-police-squad-car/>; Congressional Research Service, On file with the Office of Senator Elizabeth Warren.

¹¹ On file with the Office of Senator Elizabeth Warren.

¹² Colorado State Fire Chiefs, “‘Floating’ Prices & Lengthy Delivery Times for Fire Apparatus,” August 25, 2022, <https://static1.squarespace.com/static/5ea64a6b9614427b0ff93e6d/t/63080a517f782438bdd6f98e/1661471313934/Floating+Prices+Lenghty+Delivery+Time+for+Fire+Apparatus+Aug+25+2022%5B42%5D.pdf>.

¹³ On file with the Office of Senator Elizabeth Warren.

Indiana was hit with a more than \$100,000 price increase for the same pumper truck after a 7-month delay.¹⁴

Furthermore, while fire truck manufacturers have hiked fire truck prices, they have simultaneously restricted supply: REV Group has permanently shut down its own manufacturers' plants – reducing REV Group's fire truck manufacturing capabilities by one-third – even though demand for fire trucks has increased in recent years.¹⁵ The loss of manufacturing plants has led to a nationwide backlog in fire truck delivery.¹⁶ Since 2019, the lead times for fire truck delivery have increased from one year to two to three and a half years.¹⁷ According to Massachusetts fire fighters, REV Group subsidiary KME has nearly doubled the delivery wait time from what the manufacturer initially stated.¹⁸ According to Indiana fire fighters, additional six-month delays on top of already-extended delivery times are now common. In December 2024, REV Group had a \$4.2 billion backlog on fire and emergency vehicle orders in the United States.¹⁹

Private equity consolidation of fire truck manufacturers threatens public safety. Fire fighters have reported having to use outdated fire trucks because their department can't afford new trucks.²⁰ Furthermore, a whole host of issues arise as fire trucks age and fire fighters are “forced to stretch out the life” of their vehicles: the fire trucks fall out of compliance with National Fire Protection Association standards that keep first responders and citizens safe; the trucks require more frequent repairs that place them temporarily out of service; and the repairs get exceedingly expensive, which places even more strain on fire departments' strict budgets.

Amid a fire truck shortage, Chicago Fire Department Union President Patrick Cleary said, “You're risking people's lives. ... Not only the public, but fireman's lives, because the guys that go into put the fire out rely on the trucks to ventilate the building.”²¹ When Los Angeles faced deadly wildfires in January 2025, more than half of the Los Angeles Fire Department's (LAFD's) fire trucks were out of service, which hindered the Department's ability to effectively contain the fires.²² In a 2024-25 budget request, LAFD Chief Kristin Crowley stated: “The

¹⁴ On file with the Office of Senator. Jim Banks.

¹⁵ The New York Times, “As Wall Street Chases Profits, Fire Departments Have Paid the Price,” Mike Baker, Maureen Farrell, and Serge F. Kovalski, February 17, 2025, <https://www.nytimes.com/2025/02/17/us/fire-engines-shortage-private-equity.html>; BIG by Matt Stoller, “Did a Private Equity Fire Truck Roll-Up Worsen the L.A. Fires?,” Basel Musharbash, January 25, 2025, <https://www.thebignewsletter.com/p/did-a-private-equity-fire-truck-roll>; Fire Apparatus & Emergency Equipment Magazine, “2022 Was Good for Fire Service Industry; 2023 Is Uncertain,” Ed Ballam, December 20, 2022, <https://www.fireapparatusmagazine.com/fire-apparatus/2022-was-good-for-fire-service-industry-2023-is-uncertain/>.

¹⁶ *Id.*

¹⁷ Fire Apparatus & Emergency Equipment Magazine, “Fire Apparatus Delivery: Just Be Patient,” Ed Ballam, November 21, 2022, <https://www.fireapparatusmagazine.com/fire-apparatus/fire-apparatus-delivery-just-be-patient/>.

¹⁸ On file with the Office of Senator Elizabeth Warren.

¹⁹ REV Group, “Fiscal Fourth Quarter 2024 Results,” December 11, 2024, p. 6, <https://investors.revgroup.com/~media/Files/R/Rev-IR/reports-and-presentations/revg-fiscal-fourth-quarter-2024-results.pdf>.

²⁰ KHOU, “Firefighters: Old trucks putting lives in danger,” Scott Noll, March 2, 2017, <https://www.khou.com/article/news/investigations/firefighters-old-trucks-putting-lives-in-danger/285-417410142>.

²¹ ABC 7 Chicago, “Englewood fire station has no truck amid CFD vehicle shortage, union says: ‘Risking people's lives’,” John Garcia, October 6, 2024, <https://abc7chicago.com/post/englewood-fire-station-has-truck-work-engine-amid-chicago-department-vehicle-shortage-union-leaders-say/15398616/>.

²² MSN, “Dozens of fire trucks waiting for repair while fires ravage LA,” Perkin Amalaraj, January 14, 2025, <https://www.msn.com/en-us/news/us/dozens-of-fire-trucks-waiting-for-repair-while-fires-ravage-la/ar-BB1rrbXT>.

LAFD emergency fleet is in a constant state of disrepair attributable to years of deferred maintenance, deferred vehicle replacement, and the lack of resources for adequate staffing and replacement parts.”²³ Skyrocketing costs for fire trucks and truck repairs, spurred by private equity’s entry into the fire truck manufacturing industry, ultimately left the LAFD unable to handle the fires.

Private equity is padding shareholders’ wallets at the expense of public safety. The U.S. fire truck market hit \$2 billion in 2023 and is projected to reach \$3 billion by 2029.²⁴ While fire truck backlogs are dangerous for fire fighters and communities, they are advantageous for REV Group’s shareholders. On a shareholders’ call, REV Group’s CFO noted how backlogs benefit the company, saying “strong backlogs” provide the “visibility and opportunity to drive significant shareholder value.”²⁵

Too often, private equity firms engage in serial roll-ups that allow the firm to significantly increase its market share while evading antitrust scrutiny. For example, private equity roll-ups of hospitals, anesthesiology practices, and veterinary clinics have allowed private equity companies to leverage their monopoly power and raise costs, hurting consumers.²⁶ The Federal Trade Commission and U.S. Department of Justice’s 2023 Merger Guidelines clarify that when a merger is part of a series of multiple acquisitions, the agencies may examine the whole series.²⁷ These guidelines are important, as they make clear that antitrust enforcers have authority to investigate and unwind serial roll-ups that threaten competition in a single industry.²⁸

To better understand how private equity roll-ups in the fire truck industry are impacting fire fighters and communities, we ask that you answer the following questions by April 29, 2025:

1. What changes has IAFF and/or its members experienced since REV group began consolidating fire truck manufacturers?
 - a. How has the wait time for a fire truck changed?
 - b. How has the cost of a pumper or ladder truck changed?
 - i. How does this affect the ability for fire departments to budget for other necessities?

²³ CBS News, “Investigating claims that many LAFD trucks were not fit for service,” January 10, 2025, <https://www.cbsnews.com/losangeles/video/investigating-claims-that-many-lafd-trucks-were-not-fit-for-service/>.

²⁴ Reuters, “Fire truck boom highlights divide in US manufacturing,” Timothy Aepfel, January 19, 2024, <https://www.reuters.com/markets/us/fire-truck-boom-highlights-divide-us-manufacturing-2024-01-19/>.

²⁵ Yahoo Finance, “Q2 2024 REV Group Inc Earnings Call,” Thomson Reuters StreetEvents, June 6, 2024, <https://finance.yahoo.com/news/q2-2024-rev-group-inc-103335229.html>.

²⁶ Letter from Senator Elizabeth Warren et al. to Stephen Feinberg, February 14, 2024, <https://www.warren.senate.gov/imo/media/doc/2024.02.15%20%20Delegation%20Letter%20to%20Cerberus%20re%20Steward%20Health%20Care.pdf>; Letter from Senator Elizabeth Warren and Senator Richard Blumenthal to Robert Coward, November 26, 2023,

<https://www.warren.senate.gov/imo/media/doc/2023.11.22%20Letter%20to%20USAP%20on%20Anti-Competitive%20TacticsI.pdf>; Letter from Senator Elizabeth Warren and Senator Richard Blumenthal to Joachim Creus and David Bell, August 6, 2024,


https://www.warren.senate.gov/imo/media/doc/warren_blumenthal_letter_to_jab_holdings_re_veterinary_clinics.pdf.


²⁷ U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, p. 3, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

²⁸ Reuters, “Trump expected to shift course on antitrust, stop Google breakup,” Jody Godoy, November 6, 2024, <https://www.reuters.com/technology/trump-expected-shift-course-antitrust-stop-google-breakup-2024-11-06/>.

- ii. Has a rise in cost of fire trucks accompanied a corresponding increase in quality of product?
 - iii. How have “floating” prices impacted your members when purchasing fire trucks?
 - c. How have contract terms for fire truck purchases changed?
2. What dangers do fire truck backlogs pose to fire fighters?
 3. What dangers do fire truck backlogs pose to public safety?
 4. What dangers does using outdated fire equipment pose to fire fighters?
 5. What dangers does using outdated fire equipment pose to public safety?
 6. What importance does the AFG Program serve for fire departments that seek to purchase fire trucks?
 7. What are the risks of failing to investigate serial acquisitions of fire truck manufacturers?

Sincerely,


Elizabeth Warren
United States Senator


Jim Banks
United States Senator