

May 13, 2025

Pam Bondi, Attorney General
Gail Slater, Assistant Attorney General, Antitrust Division
Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Chair Andrew Ferguson
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

Dear Attorney General Bondi, Assistant Attorney General Slater, and Chair Ferguson:

We write to urge the Antitrust Division of the Department of Justice (“DOJ”) and the Federal Trade Commission (“FTC”) to investigate and take action against consolidation in fire and emergency vehicle manufacturers. We also urge the FTC to use its authority under Section 6(b) of the FTC Act (15 U.S.C. § 46(b))¹ to more broadly investigate consolidation trends in that industry as well as other markets for essential emergency vehicles, parts, supplies, and services.

Over the past decade, private equity firms such as American Industrial Partners (AIP) have aggressively consolidated an industry that had been competitively diversified across at least two-dozen companies² by rolling up various fire apparatus and emergency vehicle manufacturers into the holding company conglomerate REV Group.³ Today, there are just three dominant manufacturers: REV Group, Oshkosh (itself a serial acquirer), and Rosenbauer. REV Group is the most dominant, capturing about a third of the \$3 billion in annual U.S. fire truck sales, while Oshkosh takes around a quarter, and Rosenbauer takes 8%.⁴ Together, these firms dominate two-thirds of the national market— which may translate into even higher market shares in some regional markets.

¹ FTC, “A Brief Overview of the Federal Trade Commission’s Investigative, Law Enforcement, and Rulemaking Authority,” <https://www.ftc.gov/about-ftc/mission/enforcement-authority>.

² Fuld & Company, “What a Competitive Strategy Analyst Thinks About the Fire Apparatus Industry,” <https://www.fuld.com/what-a-competitive-strategy-analyst-thinks-about-the-fire-apparatus-industry/> (noting that there were “approximately two-dozen companies producing motorized fire apparatus in the United States. This includes nine full-line manufacturers producing their own chassis for pumpers and ladder trucks. These core manufacturers are complimented by fifteen limited-line manufacturers producing only pumpers based on purchased chassis. All of these twenty-four manufacturers are either independent or owned by a separate parent company, which represents a significant amount of fragmentation.”)

³ Basel Musharbash, “Did a Private Equity Fire Truck Roll-Up Worsen the L.A. Fires?,” BIG, January 25, 2025, <https://www.thebignewsletter.com/p/did-a-private-equity-fire-truck-roll>. REV Group’s business lines include not only “essential needs” such as fire apparatus, but also industrial, commercial, and recreational segments. As of October 2023, AIP held nearly half of REV Group’s voting shares. https://investors.revgroup.com/~/_media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2023.pdf.

⁴ Oliwier Samorajski, “Fire Truck Manufacturing in the US – Market Research Report, 2015-2030,” IBIS World, April 2025, <https://www.ibisworld.com/united-states/industry/fire-truck-manufacturing/5645/>. Back

This consolidation trend has stifled competition, leading to two core problems:

- **Skyrocketing prices:** The cost of fire trucks has reportedly doubled over the past decade, with pumper trucks now costing around \$1 million and ladder trucks exceeding \$2 million in some areas.⁵ Manufacturers reportedly wield their market power to reserve the ability to levy surprise price hikes after order placement through “floating” price terms.⁶ Price hikes exacerbate other budget constraints. Fire departments with budget challenges have had to cancel essential training⁷ and even lay off firefighters.⁸
- **Brutal Backlogs:** Despite higher prices, output appears to be restricted, with wait times in some areas more than quadrupling from one year to 4.5 years.⁹ REV Group reported a

in 2021, Rev Group stated in its annual report: “We believe that in most of our markets, we hold the first or second market share position and approximately 63% of our net sales during fiscal year 2017 came from products where we believe we hold such share positions.” Rev, “2017 Annual Report,”

<https://investors.revgroup.com/~media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2017.pdf>.

- ⁵ Basel Musharbash, “Did a Private Equity Fire Truck Roll-Up Worsen the L.A. Fires?,” BIG, January 25, 2025, <https://www.thebignewsletter.com/p/did-a-private-equity-fire-truck-roll>; Tracy McCue, Sumner Newscow, “Sunday blog: Why did that fire truck cost \$1.9 million? Because it just does,” March 31, 2024, <https://www.sumnernewscow.com/sunday-blog-why-did-that-fire-truck-cost-1-9-million-because-it-just-does/>.

- ⁶ CFSC, ““Floating” Prices & Lengthy Delivery Times for Fire Apparatus, CSFC Members’ Perspective,” August 25, 2022,

<https://static1.squarespace.com/static/5ea64a6b9614427b0ff93e6d/t/63080a517f782438bdd6f98e/1661471313934/Floating+Prices+Lengthy+Delivery+Time+for+Fire+Apparatus+Aug+25+2022%5B42%5D.pdf>.

One firefighter commented in a forum that a last-minute \$75,000 price hike on another ambulance was “probably close to 25% of original cost[...] I really wonder if these price increases are completely justified. Most of these companies keep posting impressive profits Thanks for sharing.” NYCFire.net, “Skyrocketing Apparatus Costs and outrageous delivery times,” January 4, 2023, comment from Capttomo, <https://www.nycfire.net/forums/threads/skyrocketing-apparatus-costs-and-outrageous-delivery-times.75187/>.

- ⁷ Alexandra Duggan, “Admid Budget Woes, Spokane, WA, Fire Training Academy Canceled,” FireHouse, September 24, 2024, <https://www.firehouse.com/operations-training/news/55142086/amid-budget-woes-spokane-wa-fire-training-academy-canceled>.

- ⁸ Katie King, “Mills Town Council votes to cut fire department,” Casper Star Tribune, April 26, 2019, https://trib.com/news/local/casper/mills-town-council-votes-to-cut-fire-department/article_ce71ddb0-16db-5835-bf70-bfd144e0f28a.html. Prices of used vehicles are increasing in tandem; leading some fire departments to take chances by snapping up the lowest priced options without in-person inspections or warranties. Mike Crowley, “City Council approves purchase of used fire truck,” The Meadville Tribune, Yahoo News, December 7, 2024, <https://www.yahoo.com/news/city-council-approves-purchase-used-045900099.html?guccounter=1>.

- ⁹ David Kroman, “Firetruck Fleet Aging Faster Than Seattle Can Make Repairs,” The Seattle Times, Government Technology, April 2, 2024, <https://www.govtech.com/em/disaster/firetruck-fleet-aging-faster-than-seattle-can-make-repairs>; Bill Smith, “Council OK’s fire truck buy,” Evanston Now, March 26, 2024, <https://evanstonnow.com/council-oks-fire-truck-buy/> (“production lead times have grown to as long as four years”); NYCFire.net, “Skyrocketing Apparatus Costs and outrageous delivery times,” January 4, 2023, comment from Capttomo, <https://www.nycfire.net/forums/threads/skyrocketing-apparatus-costs-and-outrageous-delivery-times.75187/>; Maria Serrano, ““We saw this coming”: Here’s how a fire chief is getting ahead of a nationwide delay in emergency vehicle production,” MyNews13, May 2, 2023, <https://mynews13.com/fl/orlando/news/2023/04/27/production-shortages-causing-delay-in-fire-truck-delivery>.

record \$3.6 billion backlog in late 2023— a 41% increase over 2022.¹⁰ Their U.S. backlog increased to \$4.2 billion in 2024.¹¹ That same year, Oshkosh had a global backlog of \$5.3 billion. The ongoing persistence of extreme lag times suggests that something other than pandemic supply disruptions caused the backlogs, given that most such disruptions in other industries were resolved far earlier.¹² Backlogs force fire departments to rely on aging vehicles that are prone to more frequent and more serious breakdowns that require costly repairs.

These problems have reduced the readiness of fire departments to respond to emergencies, with dire consequences for public safety. During the recent wildfires in California, more than 100 of the Los Angeles Fire Department's (LAFD) 183 fire trucks were reportedly out of service— leading to the loss of countless additional homes and lives beyond what the wildfires otherwise would have consumed.¹³ LAFD's fleet has long included dozens of custom-designed trucks from KME,¹⁴ a 70-year-old independent manufacturer that was rolled up into the REV Group in 2016.¹⁵ By 2021, REV Group had announced plans to shut down two KME custom firetruck manufacturing facilities in Pennsylvania and Virginia¹⁶— not long after

¹⁰ Reuters, "Fire Truck Boom Highlights Divide in US Manufacturing," U.S. News, January 19, 2024, <https://money.usnews.com/investing/news/articles/2024-01-19/fire-truck-boom-highlights-divide-in-us-manufacturing>.

¹¹ U.S. Securities and Exchange Commission, "Annual report for Fiscal Year ended October 31, 2024: Rev Group, Inc.," Form 10-K, https://otp.tools.investis.com/clients/us/rev_group/SEC/sec-show.aspx?FilingId=18037756&Cik=0001687221&Type=PDF&hasPdf=1. Far from exhibiting fear that the backlog would entice new entrants, REV Group touted the backlog as an advantage for investors because that gives "strong visibility into future net sales." U.S. Securities and Exchange Commission, "Annual report for Fiscal Year ended October 31, 2023: Rev Group, Inc.," Form 10-K, https://investors.revgroup.com/~/_media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2023.pdf.

¹² Diccon Hyatt, "Supply Chains Have Healed from Pandemic Disruptions," Investopedia, June 7, 2023, <https://www.investopedia.com/supply-chains-have-healed-from-pandemic-disruptions-7509263>.

¹³ Perkin Amalaraj, "Dozens of fire trucks waiting for repair while fires ravage LA," MSN, February 2025, <https://www.msn.com/en-ae/news/other/dozens-of-fire-trucks-waiting-for-repair-while-fires-ravage-la/ar-BB1rr7vy>. LAFD's proposed FY25-26 budget included \$96.5 million in "MCLA Fleet Replacement." Letter to Board of Fire Commissioners from Kristin M. Crowley, Fire Chief, LA, "Preliminary Proposed Budget for Fiscal Year 2025-26," October 29, 2024, https://ens.lacity.org/lafd/lafdreportarchv/lafdlafdreport1864184179_11052024.pdf (page 16) (noting that "Many vehicles have surpassed their expected service life, leading to increased maintenance costs, reduced parts availability, and potential downtime. Implementing a replacement strategy based on age, mileage, and maintenance costs will optimize fleet performance and reduce long-term expenses.") Although a fully operational fleet would not have been able to stop the wildfires entirely, more homes and lives would have been saved.

¹⁴ LA Fire Department, <https://lafd.org/about/about-lafd/apparatus>; Fire Engineering Staff, "KME Awarded Contract for 23 Pumpers by City of Los Angeles," December 2009, <https://www.fireengineering.com/fire-apparatus/kme-awarded-contract/>; FireHouse, "L.A. Contracts with KME for 15 Custom Pumpers," March 9, 2014, <https://www.firehouse.com/apparatus/press-release/11325723/fire-apparatus-manufacturer-kme-kovtach-pumpers-aerials-heavy-rescue-fire-apparatus-builder-la-contracts-with-kme-for-15-custom-pumpers>.

¹⁵ FireHouse, "KME Fire Apparatus Sold to REVGroup," April 11, 2016, <https://www.firehouse.com/apparatus/press-release/12193362/fire-apparatus-manufacturer-kme-kovtach-pumpers-aerials-heavy-rescue-fire-apparatus-builder-kme-fire-apparatus-sold-to-revgroup>.

¹⁶ Chris Reber, "KME plant to close in April 2022," Times News Online, September 11, 2021, <https://www.tnonline.com/20210911/kme-plant-to-close-in-april-2022/>.

telling investors that it would “[c]onverge on common designs that can be shared across brands.”¹⁷

Los Angeles is far from the only place adversely impacted by price hikes and backlogs. Other big cities such as Houston, Texas, Atlanta, Georgia, and Seattle, Washington are also struggling with aging fleets of fire trucks.¹⁸ So are smaller cities.¹⁹ As just one example, in 2024, the city of Evanston, Illinois had to persuade a dealer to sell a demonstration vehicle to accelerate delivery of a \$2.3 million new truck to only “12 to 14 months” to replace an 18 year old reserve truck with “major defects... that would cost around \$300,000 to fix.”²⁰ The Chief of the Ann Arbor, Michigan fire department recently observed that “[t]he price of fire trucks has become bonkers,” revealing “almost a monopoly market,” such that their next truck will cost \$2.4 million and take 4 years to deliver.²¹

These problems add onerous burdens to cities seeking to recover from natural disasters. In 2023, leaders of a fire department in Grant, Pennsylvania learned that even a grant of over half a million dollars from Federal Emergency Management (FEMA) was insufficient to buy a truck— and that once they raised the other half of the cost, they would face a three to four year wait for delivery.²² Municipalities that were struck Hurricane Helene are likely to face similar challenges in rebuilding their public safety capacity.²³ After Hurricane Ian ravaged

¹⁷ RevGroup, “Investor & Analyst Day,” April 15, 2021, https://investors.revgroup.com/~/_media/Files/R/Rev-IR/reports-and-presentations/rev-group-investor-day-v18.pdf.

¹⁸ Christy Grimes, “Houston Fire Department Navigating Supply Chain Hurdles with Fleet Replacements,” Government Fleet, September 11, 2023, <https://www.government-fleet.com/10206016/houston-fire-department-to-replace-aging-vehicles>; Riley Bunch, “City leaders reveal plans to address aging fire trucks,” The Atlanta Journal-Constitution, August 19, 2024, <https://www.ajc.com/news/atlanta-news/city-leaders-reveal-plans-to-address-aging-fire-trucks/YGFTTY7ZPRBJP54Z2RYDMXL0A/>; David Kroman, “Seattle firetruck fleet deteriorating faster than repairs can keep up,” The Seattle Times, April 1, 2024, <https://www.seattletimes.com/seattle-news/politics/seattle-fire-truck-fleet-deteriorating-faster-than-repairs-can-keep-up/>.

¹⁹ CBS News, “North Texas fire department in crisis needs financial windfall to overcome equipment challenges,” January 23, 2025, <https://www.cbsnews.com/texas/video/north-texas-fire-department-in-crisis-needs-financial-windfall-to-overcome-equipment-challenges/>; Allen Clayton, “City of Clarksburg approves \$3.1 million to purchase new fire trucks,” WBoy, February 29, 2024, <https://www.wboy.com/news/harrison/city-of-clarksburg-approves-3-1-million-to-purchase-new-fire-trucks/>.

²⁰ Bill Smith, “Council OK’s fire truck buy,” Evanston Now, March 26, 2024, <https://evanstonnow.com/council-oks-fire-truck-buy/>.

²¹ Ryan Stanton, “Ann Arbor is getting a new fire truck, but it will take 4 years and cost \$2.4 M,” MLive, February 7, 2025, <https://www.mlive.com/news/ann-arbor/2025/02/ann-arbor-is-getting-a-new-fire-truck-but-it-will-take-4-years-and-cost-24m.html>.

²² Patrick Varine, “Despite Grant, PA Dept. Says Rising Apparatus Costs a Challenge,” FireHouse, 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>.

²³ The success of President Trump’s planned overhaul of FEMA’s disaster relief programs thus depends on looking beyond administration of funding to the structure of the markets that receive such funds. Sareen Habeshian, “Trump signs executive order to examine FEMA overhaul,” Axios, January 26, 2025, <https://www.axios.com/2025/01/26/trump-fema-executive-order>.

the fire department of Fort Myers Beach, Florida in 2022, it had to devote \$1.7 million of its Federal Emergency Management (FEMA) funding simply to replace its ladder truck.²⁴

Accordingly, Federal antitrust enforcers should investigate and take appropriate action against dominant firetruck and emergency vehicle makers.

Moreover, fire trucks are not the only fire department purchases adversely impacted by consolidation trends. For example, according to a fire department in Potsdam, New York, the price of an air supply pack increased from \$7000 a decade ago to \$12,000 in 2023—an increase of over 70%.²⁵ Dispatching software, too, has been rolled up.²⁶ Such centralized repositories of personal data represent attractive ransomware targets, but private equity firms often have little incentive to adequately invest in cybersecurity measures.²⁷ Two class action lawsuits allege that ESO Solutions— which specializes in software not only for fire departments and emergency services agencies, but also hospitals and health systems— failed to implement reasonable and appropriate industry-standard security measures to ensure the privacy and confidentiality of patient data, which led to the exposure of sensitive information relating to almost 2.7 million individuals in a data breach and ransomware attack.²⁸

Thus, the FTC should also use its 6(b) authority to broadly investigate what other bottlenecks fire departments may be facing in markets for parts, supplies, and services. The FTC should also examine whether firms use their market power to impose exit barriers that hamper the ability of customers to move their data to rivals, or to impose contractual restrictions that

²⁴ Gulf Cost News, “Fort Myers Beach Fire Dept. loses fire truck & ambulance to Hurricane Ian, firehouse condemned,” November 4, 2022, <https://www.nbc-2.com/article/fort-myers-beach-fire-dept-loses-fire-truck-ambulance-to-hurricane-ian-firehouse-condemned/46750046>.

²⁵ Sean Brynda, “As equipment costs rise, fire departments turn to towns for help,” WWNYTV News, October 23, 2023, <https://www.wwnytv.com/2023/10/23/equipment-costs-rise-fire-departments-turn-to-towns-help/>.

²⁶ PR Newswire, “Dispatch Announces Growth Raise and Acquisition of Youreka to Accelerate Field Service Innovation,” April 26, 2022, <https://www.prnewswire.com/news-releases/dispatch-announces-growth-raise-and-acquisition-of-youreka-to-accelerate-field-service-innovation-301532924.html>; Mergr, “Vista Equity Partners and Bain Capital Private Equity Acquire CentralSquare,”

<https://mergr.com/transaction/vista-equity-partners-acquires-centralsquare-technologies>; Eso, “Closing the Gap in Emergency Response: ESO to Acquire Logis Solutions, Becoming the First to Link Data Across the Healthcare Continuum,” April 18, 2024, <https://www.eso.com/news/press-releases/closing-the-gap-in-emergency-response-eso-to-acquire-logis-solutions-becoming-the-first-to-link-data-across-the-healthcare-continuum/>; FireHouse, “ESO Acquires Leading Fire RMS Emergency Reporting,” July 26, 2021, <https://www.firehouse.com/technology/press-release/21231905/eso-solutions-eso-acquires-leading-fire-rms-emergency-reporting>.

²⁷ Matt Stoller, “How to Get Rich Sabotaging Nuclear Weapons Facilities,” BIG, January 3, 2021, <https://www.thebignewsletter.com/p/how-to-get-rich-sabotaging-nuclear>; Matt Stoller, “Another Day, Another Hack Via a Private Equity Owned Software Firm,” BIG, July 2, 2021, <https://www.thebignewsletter.com/p/another-day-another-hack-via-a-private>;

²⁸ JDSupra, “ESO Solution Notifies HHS-OCR of Data Breach Affecting 2.7m Consumers,” January 15, 2024, <https://www.jdsupra.com/legalnews/eso-solutions-notifies-hhs-ocr-of-data-6460966/>; Steve Alder, “Class Action Lawsuits Filed Against ESO Solutions Over Data Breach,” the HIPPA Journal, January 4, 2024, <https://www.hippajournal.com/eso-solutions-data-breach/>. ESO Solutions had also been a vendor for the Department of Defense until shortly before the cyberattack. USASpending.gov, “Purchase Order: Department of Defense awarding ESO Solutions, Inc.,” June 2019, https://www.usaspending.gov/award/CONT_AWD_W81XWH19P0084_9700_-NONE_-NONE-/.

impede competition, such as noncompete clauses that make it more difficult for workers to join– or start– rival companies, or clauses that limit customer choices for repairing their products. As explained in the FTC’s policy statement on illegal repair restrictions– which was adopted on a bipartisan 5-0 vote– such restrictions may violate multiple statutes, including the Magnuson-Moss Warranty Act, Section 5 of the FTC Act, and the Sherman Act.²⁹

In its study, the FTC should investigate topics such as:

- National and regional consolidation trends, such as the number, frequency, and magnitude of transactions, especially by the most dominant players
- National and regional market shares of the top firms in each industry
- Whether transactions have been followed by an increased rate of price hikes
- Whether transactions have been followed by reduction in production capacity (e.g. through plant closures) or longer delivery delays
- Whether regions that have been impacted by consolidation have experienced changes in public safety metrics, such as response times

Communities across the country depend on the timely availability of reliable firefighting services. Taking vigorous, immediate action is essential to slash wasteful local government spending, redirect the savings to creating good, non-offshorable American jobs in firefighting– and ultimately, save lives, homes, and entire communities.

We urge the DOJ and FTC to launch investigations immediately and bring appropriate enforcement actions accordingly.

Sincerely,

American Economic Liberties Project
International Association of Fire Fighters

²⁹ FTC, “FTC to Ramp Up Law Enforcement Against Illegal Repair Restrictions,” press release, July 21, 2021, <https://www.ftc.gov/news-events/news/press-releases/2021/07/ftc-ramp-law-enforcement-against-illegal-repair-restrictions>; FTC, “Policy Statement of the Federal Trade Commission on Repair Restrictions Imposed by Manufacturers and Sellers,” https://www.ftc.gov/system/files/documents/public_statements/1592330/p194400repairrestrictionspolicystatement.pdf.