

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS



STATEMENT OF

**MR. EDWARD A. KELLY
GENERAL PRESIDENT**

**BEFORE THE SUBCOMMITTEE ON DISASTER
MANAGEMENT**

OF THE

**SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS**

ON

FIRE APPARATUS MANUFACTURING

**SEPTEMBER 10, 2025
WASHINGTON, DC**

Chairman Hawley, Ranking Member Kim, and members of the Subcommittee, thank you for the opportunity to testify before you today on the harmful effects of consolidation in the fire apparatus industry, where manufacturers now use their market power to artificially inflate prices and extend delivery timelines of critical fire apparatus. My name is Edward A. Kelly, and I am honored to serve as General President of the International Association of Fire Fighters. I began my fire service career as a fire fighter in the United States Air Force and joined the Boston Fire Department in 1997. I am proud to be a third-generation Boston fire fighter and continue to serve as a fire fighter on Ladder 17 in the City of Boston. Before I was elected General President in 2021 and re-elected last year, I previously served as the IAFF's General Secretary-Treasurer from 2016 to 2021, as well as President of the Professional Fire Fighters of Massachusetts and the Boston Fire Fighters (IAFF Local 718).

The IAFF represents nearly 360,000 professional fire fighters and emergency medical workers at the local, state, and federal levels. Our members serve communities in all 50 states, protecting 70% of the United States' population.¹ Nearly all communities with more than 50,000 residents are protected by professional fire departments² – the men and women of the IAFF. As all-hazard responders, our members safeguard the nation from a wide range of emergencies, including structural fires, wildland fires, building collapses, natural disasters, terrorist incidents, and more.

While the IAFF engages in many policy areas affecting our members, one of our top priorities is ensuring their safety on the job by securing the staffing, training, and tools to serve their communities. Safe, modern, and reliable fire apparatus is essential to that mission. Yet today, fire fighters are routinely forced to operate with outdated and unsafe fire apparatus due to a near monopoly of the fire apparatus manufacturing industry. This consolidation undermines public safety by inflating costs and delivery timelines for the sole purpose of maximizing corporate profits. I thank this Subcommittee for investigating this matter and working to protect both fire fighters and the public.

Overview of the American Fire Service

The American fire service is an all-hazards response system. IAFF members respond to everything from fires and natural disasters to acts of terrorism and medical emergencies. In fact, fire departments provide EMS in 65% of communities nationwide and in more than 90% of those with populations over 50,000. In 2020 alone, departments answered more than 36 million calls for service³ – nearly two-thirds of which were for medical emergencies – making the fire service the backbone of our country's prehospital care system.

Fire fighters also frequently assist neighboring jurisdictions through mutual aid agreements. These pre-existing agreements ensure continuity of service when one community is overwhelmed by demand or otherwise unable to respond to calls. These agreements may be invoked during "routine" emergencies when multiple calls for service are received, as well as

¹ National Fire Protection Association. *US Fire Department Profile 2022*. <https://www.nfpa.org/education-and-research/research/nfpa-research/fire-statistical-reports/us-fire-department-profile>

² Ibid. Table 14.

³ National Fire Protection Association. *US Fire Department Profile 2020*. P. 5. <https://www.nfpa.org/-/media/Files/News-and-Research/Fire-statistics-and-reports/Emergency-responders/osfdprofile.pdf>

when major natural disasters or acts of terrorism exceed response capacity. This cooperation helps guarantee emergency service when it is needed most.

But the ability to respond to these calls depends on safe, modern fire apparatus. Consolidation among fire apparatus manufacturers is driving up costs and delaying delivery, threatening the lives and safety of the public and the fire fighters they depend on. I urge this Committee to continue its investigation into manufacturer consolidation and potential collusion that threatens to deny communities of essential emergency vehicles, parts, supplies, and services.

Consolidation of the Manufacturing Industry

Over the past decade, private equity firms such as American Industrial Partners (AIP) have aggressively consolidated an industry once diversified across at least two dozen companies⁴. Through a series of roll-ups, AIP created the conglomerate REV Group⁵, now the biggest player in the market. Where many manufacturers once competed, three firms now dominate: REV Group, Oshkosh (itself a serial acquirer), and Rosenbauer. REV Group controls roughly one-third of the \$3 billion U.S. fire truck market, while Oshkosh takes around a quarter, and Rosenbauer takes 8%.⁶ Together, they account for two-thirds of national sales – and in some regions, their hold is even stronger.

This consolidation trend has stifled competition, leading to two core problems that threaten fire fighters across the nation:

- **Skyrocketing prices:** The cost of fire trucks has doubled over the past decade, with pumper trucks now costing around \$1 million and ladder trucks exceeding \$2 million in some areas.⁷ Manufacturers wield their market power to impose surprise price hikes after order placement through “floating” price terms.⁸ These price hikes exacerbate other

⁴ 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/>

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>. <https://investors.revgroup.com/~media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2023.pdf>.

⁶ 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/>.

⁷ 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/>.

⁸ 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+Lenghty+Delivery+Time+for+Fire+Apparatus+Aug+25+2022%5B42%5D.pdf>.

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/>.

budget constraints. Fire departments with budget challenges have had to cancel essential training⁹ and even lay off fire fighters.¹⁰

- **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.¹¹ REV Group reported a record \$3.6 billion backlog in late 2023 – a 41% increase over 2022.¹² Their U.S. backlog increased to \$4.2 billion in 2024.¹³ That same year, Oshkosh had a global backlog of \$5.3 billion. The persistence of these extreme delays suggests that something other than pandemic supply disruptions is at work, since other industries have long resolved such issues.¹⁴ Backlogs force fire departments to rely on aging vehicles prone to more frequent and more serious breakdowns that require costly repairs.

Notably, according to the REV Group’s own filings, the company has reported record backlogs while simultaneously posting its highest revenues, strongest free cash flows, and rising profit margins.¹⁵ In its FY2023 Annual Report, the REV Group boasted that its “business model produced attractive financial characteristics, including “... [the] structural ability to drive attractive levels of return on invested capital and strong revenue visibility in certain product categories with longer backlogs.”¹⁶”

⁹ Alexandra Duggan, “Amid 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>.

¹⁰ 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. The Meadville Tribune, Yahoo News, December 7, 2024, <https://www.yahoo.com/news/city-council-approves-purchase-used-045900099.html?guccounter=1>

¹¹ 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/>; NYCFire.net, “Skyrocketing Apparatus Costs and outrageous delivery times,” January 4, 2023, <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>.

¹² 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>

¹³ 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; 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>.

¹⁴ 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>.

¹⁵ REV Group. *Investor & Analyst Day*. Apr. 15, 2021. <https://investors.revgroup.com/%7E/media/Files/R/Rev-IR/reports-and-presentations/rev-group-investor-day-v18.pdf>. Pg. 47.

¹⁶ REV Group. FY 2023 Annual Report – Form 10-K. <https://investors.revgroup.com/~media/Files/R/Rev-IR/Annual%20Reports/rev-annual-report-2023.pdf>. Pg. 11

Extreme Price Increases for Vehicles

As mentioned earlier, consolidation among apparatus manufacturers is leading to an unsustainable increase in vehicle costs. At the height of the COVID-19 pandemic in December 2020, the San Antonio Fire Department purchased a platform ladder truck from Pierce, a brand owned by Oshkosh, for \$1.5 million and received the truck in roughly one year. By May 2024, the same truck cost nearly \$2.4 million, with delivery stretched to more than four years. Engines show the same trend. In 2014, San Antonio bought a Pierce engine for \$634,247 and received it in just 240 days. Ten years later, the same model cost \$1,267,900 and had a delivery timeline of 600 days.

The Philadelphia Fire Department has seen similar spikes from the REV Group. In 2020, Spartan fire trucks cost the city about \$1.2 million; in 2025, the same truck costs \$2.1 million. Spartan fire engines have jumped from \$589,000 in 2020 to nearly \$1.1 million in 2025. Doubling the price of apparatus is untenable, even for the largest fire departments.

These increases are not limited to fire trucks. One of the IAFF's largest Locals in the Mid-Atlantic region reports sharp increases in ambulance costs. Horton, a major ambulance manufacturer owned by the REV Group, quoted this Local \$378,592 per ambulance in 2019. For 2025, that price is projected at \$591,678 – a staggering 56% increase that far outpaces the rate of inflation and threatens the ability of departments to replace essential vehicles.

Consolidations now allows a handful of companies to control the bidding, pricing, and delivery nationwide. The problem is especially concerning when all of the manufacturers “competing” for a contract are in fact subsidiaries of the same parent company. IAFF Locals have reported that when their fire departments solicit bids for a new truck, there is a striking similarity between the proposals submitted by the various manufacturers owned by the same company. This is not true free-market competition; on the contrary, it is market manipulation, leaving municipalities – and their taxpayers – hostage to the profit-driven strategies of private equity.

The introduction of “floating prices” has added even more instability to apparatus procurement by allowing manufacturers to arbitrarily raise prices of a vehicle before delivery. Departments may budget for a truck at the time of purchase, only to have the manufacturer increase the price months or years later – effectively holding a critical vehicle hostage. Floating prices are even more troubling when considering that the very backlogs created by consolidation are being then used to justify these mid-contract hikes. In Boonville, Indiana, the fire department purchased two fire engines and, after waiting three years for delivery, was hit with an unexpected \$209,950 increase. This overrun – far beyond the city's budget – created significant financial problems for Boonville. Ultimately, the department was forced to accept the increase, since the alternative was to continue using a 30-year-old fire engine.

Rising prices have placed enormous strain on fire department budgets. Many municipalities rely on bonds or tax notes for major capital expenditures, but when a single apparatus costs over \$1 million, that spending must compete with other important and necessary municipal expenditures. As a result, aging, unsafe vehicles go unreplaced, parts shortages sideline equipment, and fire fighters are left without the modern tools required to protect communities. These problems are

compounded by delivery timelines that have stretched from less than a year before 2020 to as long as three or four years today, as reported by IAFF Locals across the East Coast, Texas, and North Carolina. Departments are trapped in a catch-22 – delaying purchases because of high costs, only to hold onto unsafe apparatus even longer.

Public Safety Impacts of Apparatus Shortage

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.¹⁷ LAFD's fleet has long included dozens of custom-designed trucks from KME¹⁸, a 70-year-old independent manufacturer acquired by REV Group in 2016.¹⁹ By 2021, REV Group announced plans to shut down two KME custom fire truck manufacturing facilities in Pennsylvania and Virginia.²⁰

Los Angeles is not alone. Cities such as Houston²¹ and Seattle²² also struggle with aging fleets. Last year in Atlanta, the city was forced to finally invest in new apparatus after an audit revealed that 28% of its trucks were beyond their usable lifespan²³.

In Chicago, fire stations were forced to operate with no fire trucks²⁴. In one case, a 20-year-old rig lost a tire while driving, damaging two other vehicles²⁵. These aging and inoperable fire

¹⁷ 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>. 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)

¹⁸ 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>.

¹⁹ 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>.

²⁰ 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/>.

²¹ 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>

²² 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/>.

²³ Aungelique Proctor. *Audit Rings Alarm for Atlanta Fire's Dwindling Emergency Fleet*. August 28, 2024. Fox5 Atlanta. <https://www.fox5atlanta.com/news/audit-rings-alarm-atlanta-fires-dwindling-emergency-fleet>

²⁴ Courtney Sisk. *Chicago Fire Station Operating Without Truck*. October 7, 2024. NBC5 Chicago. <https://www.nbcchicago.com/news/local/chicago-fire-station-operating-without-truck-amid-shortage/3567181/>

²⁵ Bill Carey. *Tire Falls Off Chicago Fire Truck*. Nov. 11, 2024. FireRescue1. <https://www.firerescue1.com/apparatus-crash/we-should-not-be-using-20-year-old-rigs-tire-falls-off-chicago-fire-truck>

trucks have certainly harmed emergency responses and cost lives. Just weeks ago, fire fighters were slowed in responding to a house fire that killed four people, including a 5-year-old child, when Tower Ladder 14 stalled. Fire fighters had to restart the truck to raise the ladder and rescue victims.²⁶ In February, Engine 121 was in a 25-year-old spare truck when the brakes failed, sending the truck careening into a church on West 103rd Street – causing a new emergency and delaying the response to the initial fire.

Chicago's apparatus shortage is not limited to fire trucks. This summer, Chicago routinely ran out of available ambulances, leaving the city without EMS coverage. A common refrain heard from dispatchers on the radio is, "I have no available units in the city right now," "Is any ambulance available?" and "Can *anyone* go citywide?" One chilling call summed up the crisis: "Is anyone available? Any ambulance available at any hospital, please let me know. We have multiple calls pending."

In San Francisco, 17 of the city's 34 ladder trucks are more than 20 years old – including two that are over 30. These rigs frequently stall on the city's notoriously hilly streets, forcing fire fighters to use alternate, lengthier routes that avoid hills. Victims trapped in a fire should not be forced to wait – and possibly be killed – because a fire truck is too old to drive uphill.

Boston, too, knows the fatal consequences of keeping broken fire trucks in service. In January 2009, the brakes on a ladder truck failed, sending the truck careening down a hill and into a daycare center. That truck should not have been on the road. This was the second time the same ladder truck lost its brakes on the very same street in the city's Mission Hill neighborhood. One of the fire fighters on that truck, Lt. Kevin Kelley, was killed and several fire fighters and children were injured. Sixteen years later, the apparatus failures that Boston suffered in the mid-2000s continue to play out in cities across our nation.

Smaller cities are also threatened by the inability to obtain new fire apparatus.²⁷ As just one example, in 2024, Evanston, Illinois, had to persuade a dealer to sell them 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."²⁸ In Ann Arbor, Michigan, the fire chief recently observed that "[t]he price of fire trucks has become bonkers," describing "almost a monopoly market" where their next truck will cost \$2.4 million and take 4 years to deliver.²⁹

²⁶ Peter Matthews. *Ongoing Apparatus Woes in Deadly Fire*. FireHouse. Aug. 1, 2025.

<https://www.firehouse.com/apparatus/video/55307104/chicago-firefighters-union-points-to-ongoing-apparatus-woes-in-deadly-fire>

²⁷ 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/>.

²⁸ Bill Smith, "Council OK's fire truck buy," Evanston Now, March 26, 2024, <https://evanstonnow.com/council-oks-fire-truck-buy/>.

²⁹ 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>.

Similar problems are plaguing the Las Cruces (NM) Fire Department, which has only three reserve engines – two of them nearly 25 years old. Just two weeks ago, fire fighters had to rely on one of those 24-year-old rigs as the primary attack engine at a house fire. It is unconscionable to place both trapped victims and responding fire fighters at risk with equipment older than the fire fighters operating it. But the risks don't stop there. When fires go to a second alarm in Las Cruces, the city must send nearly its entire department to get enough personnel and trucks on scene – leaving the city unprepared for simultaneous emergencies. More disturbingly, Las Cruces' Engine 1 – damaged in an accident last year – remains in service despite an inoperable foam system, a leaking pump, and three missing door compartments. With no reliable reserve, Engine 1 cannot be sent out for repairs. Las Cruces' residents deserve better.

These problems place heavy burdens on cities struggling to recover from natural disasters. In 2023, a fire department in Grant, Pennsylvania, learned that even a grant of over half a million dollars from Federal Emergency Management (FEMA) was not enough to buy a truck– and that once the remaining funds were raised, delivery would still take three to four years.³⁰ Municipalities hit by Hurricane Helene in 2024 are likely to face the same challenges in rebuilding their public safety capacity.³¹ After Hurricane Ian devastated Fort Myers Beach, Florida, in 2022, its fire department had to devote \$1.7 million of FEMA funding just to replace a ladder truck.³²

Moreover, fire trucks are not the only purchases adversely impacted by consolidation. In Potsdam, New York, the price of an air supply pack rose from \$7,000 a decade ago to \$12,000 in 2023 – an increase of over 70%.³³ Dispatching software, too, has been rolled up.³⁴ Such centralized repositories of personal data represent attractive ransomware targets, but private

³⁰ 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>.

³¹ 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>.

³² 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>.

³³ 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-towns-help/>.

³⁴ 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>.

equity firms often have little incentive to adequately invest in cybersecurity measures.³⁵ Two class action lawsuits allege that ESO Solutions – a company serving fire departments, EMS agencies, and hospitals and health systems – failed to implement reasonable and appropriate industry-standard security measures to ensure the privacy and confidentiality of patient data. As a result, a ransomware attack exposed the personal data of nearly 2.7 million people.³⁶

Recommendations to Assist Fire Fighters

To address this issue and help jurisdictions obtain modern, safe fire apparatus, we urge this Subcommittee and Congress to take the following actions:

- 1) Continued Oversight – I urge Congress to continue oversight of this critical industry. As I have outlined, the fire apparatus manufacturing industry is very unique in both its composition and its impact on public safety. Fire apparatus manufacturers have not acted in good faith. Congress must keep investigating the consolidation of this industry and its coordinated efforts to increase costs and extend delivery timelines. As part of this work, I also urge Congress to coordinate its oversight with the Federal Trade Commission and the Department of Justice. Given the critical role of fire apparatus in safety and emergency preparedness, a whole-of-government approach is needed. This Subcommittee, and Congress as a whole, should continue demanding transparency from apparatus manufacturers in how they develop their pricing models and prioritize filling customers' orders.

The IAFF is aware of proposals to address rising costs and delivery timelines by standardizing apparatus orders. We firmly reject this solution. An April 2021 investor prospectus from the REV Group cited efforts to standardize many components and design as a way to streamline production and control costs.³⁷ While this change has coincided with higher profitability in REV Group's Fire and Emergency Service line,³⁸ it has produced no corresponding decrease in cost or improvement in delivery timelines.

Pierce currently operates a program called *Build My Pierce*, which encourages purchasers to choose fewer custom options in order to accelerate manufacturing timelines. However, this has also failed to improve delivery timelines. The City of Seymour (IN) reported

³⁵ 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>;

³⁶ 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.hipaajournal.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-/.

³⁷ REV Group. *Investor & Analyst Day*. Apr. 15, 2021. <https://investors.revgroup.com/%7E/media/Files/R/Rev-IR/reports-and-presentations/rev-group-investor-day-v18.pdf>. Pg. 28-32.

³⁸ Ibid. Page 47.

purchasing both a ladder truck and an engine through this program, yet Pierce still quoted two and three-year delivery timelines. This shows that standardization of apparatus is unlikely to solve the problems created by industry consolidation.

- 2) Funding for the AFG Grants – As you know, the Assistance to Firefighters Grant (AFG) Program is administered by FEMA and provides critical support to local governments in procuring fire apparatus as well as other firefighting equipment and training. Given the rising costs of fire apparatus, the AFG program is essential. These grants are intended to supplement, not replace, local funding and help ensure a basic level of emergency preparedness nationwide. In FY 2025, Congress funded AFG at \$324 million. The IAFF applauds the House of Representatives for proposing \$360 million for FY 2026, and we urge the Senate Committee on Appropriations to concur with the House’s recommended funding level for this program.

Conclusion

The fact that private equity firms – beholden only to shareholders – are forcing out competition, raising prices, and causing delays should concern us all. Lives are lost when fire trucks either fail or are unavailable when seconds count. Even when municipalities prioritize apparatus in their budgets, inflated costs and floating pricing make purchasing a challenge, and three- to four-year delivery timelines push these vehicles further out of reach for those whose lives depend on them. When someone calls 9-1-1, they rightly expect fire fighters to arrive quickly, equipped with the tools needed to respond effectively. Aging and unreliable trucks directly impede fire fighters’ efforts to serve their communities and stay safe on the job.

Thank you for your attention to this critical issue. I welcome the opportunity to answer any questions that you may have.