

# **ANTIMONOPOLY COUNSEL**

A PROFESSIONAL LLC

**Testimony of  
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Principal Attorney  
Antimonopoly Counsel**

*before*

**The United States Senate  
Committee on Homeland Security and Governmental Affairs  
Subcommittee on Disaster Management, District of Columbia, and Census**

*in*

**Hearing on  
Sounding the Alarm: America's Fire Apparatus Crisis**

**Washington, D.C.  
September 10, 2025**

Chair Hawley, Ranking Member Kim, Members of the Subcommittee:

Thank you for holding this important hearing, and thank you for inviting me to participate. As a country lawyer who spends most of his time in small towns representing farmers and small businesses, you can imagine I don't get invitations to Congress very often. I hope I can be helpful to your work here, and look forward to answering your questions.

To introduce myself, my name is Basel Musharbash. I am the principal attorney at Antimonopoly Counsel, a public interest law firm dedicated to helping rural communities diagnose, tackle, and remedy the wrongs of concentrated corporate power in rural America. My work has included representing farmers and workers in antitrust and unfair-practice cases, conducting antitrust investigations on behalf of small-town governments, and helping rural farmers and businesses bring their concerns to antitrust enforcers and other regulators.

Over the past year or so, I've had a chance to investigate monopolization and the elimination of competition in a number of industries that supply public safety and emergency management products to local governments, with special attention to the fire apparatus manufacturing industry. What I've found should — in my view — disturb every government official who cares about stewarding taxpayer dollars and serving the public well. Even more so, I think it should disturb every citizen who believes free enterprise and self-government are what make America great, and doesn't want to see this country's towns and industries subjected to central planning by faraway bureaucrats — whether they work for Big Business or Big Government.

As this committee is aware, fire truck prices have doubled in the last ten years. A fire truck that cost \$500,000 in the mid-2010s now costs \$1 million. More specialized fire trucks that used to cost \$900,000 now cost more than \$2 million. Inflation alone does not explain these price increases, which have squeezed municipal budgets and prevented communities from replacing their old rigs. At the same time, wait times for new fire trucks have ballooned from 18 months in the mid-2010s to more than four years today.

As a result of high prices and long order backlogs, fire trucks that should have been retired after 15 or 20 years are now celebrating their 30<sup>th</sup> “birthdays” on the front lines. These older trucks break down more frequently and are more difficult to repair than new trucks, leaving gaps in communities' fire protection systems and putting the public in danger. These gaps can have deadly consequences when fires break out and no fire trucks are available to respond. And even communities that have been able to purchase new fire trucks have had to redirect funds from other priorities to cover the price increases.

Two fire truck manufacturers — REV Group and Pierce Manufacturing — are, in my view, the most responsible for increasing fire truck prices and perpetuating lengthy backlogs. They have rolled up their strongest competitors. They have consolidated control over the supply of critical inputs for the small fire-truck manufacturers that remain — undermining their ability to offer effective competition. They have pushed their licensed dealers to consolidate, eliminating competition in the aftermarkets for fire truck repairs and replacement parts. Some evidence even suggests they may have further entrenched their dominance through exclusionary arrangements with other manufacturers, input suppliers, and government procurement platforms. Insulated from competition by this consolidation, they have focused on wringing as much profit from fire departments as possible and funneling those profits — not back into their respective businesses to build new plants and meet rising demand — but directly out to their financiers and investors.

In short, they have transformed a critical, once-vibrant industry into a racket that flagrantly profiteers off of shortages and backlogs of life-saving equipment.

**I. The fire truck industry was diverse and comprised of many independent sellers until the 2010s.**

The modern fire truck manufacturing industry boomed in the post-war decades of the 1950s and 1960s. Aided by strong antitrust enforcement and transport regulations that allowed local manufacturers to source in supplies and compete for markets on the merits, small and midsized fire apparatus manufacturers — typically family-owned operations — appeared in every region of the country to produce emergency vehicles tailored to the needs of local fire departments. The industry was competitively diversified across dozens of companies. Competition among these smaller firms kept fire truck prices near costs, and the existence of a large number of manufacturers ensured redundant manufacturing capacity was available to meet spikes in demand. By the 2000s, these companies were selling nearly 6,000 new fire trucks in the United States every year.

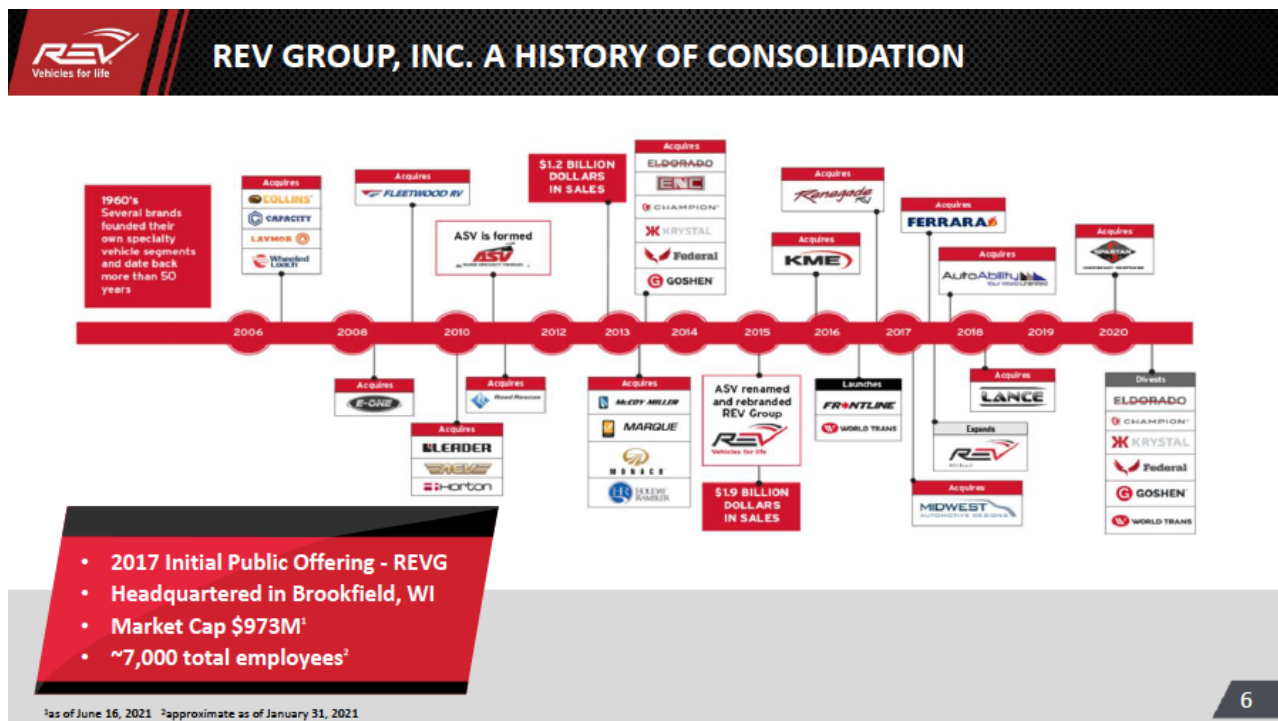
For decades under these competitive conditions, the fire truck industry enjoyed relatively stable inflation-adjusted prices and ample production capacity. With few exceptions, the annual price increase for new trucks before the 2010s was reportedly around 3%. As antitrust enforcement atrophied and transport utilities were deregulated starting in the late 1970s and early 1980s, however, the structure of the industry began to change. A leading fire truck manufacturer, Pierce Manufacturing, Inc. (“Pierce”), was acquired by defense conglomerate Oshkosh Corporation (“Oshkosh”) in 1996 and became an entrenched incumbent with 20-30% market share. Nonetheless, there were still dozens of other small and midsize competitors to hem in Pierce’s dominance, keeping a lid on prices and delays.

After the Great Recession decimated municipal budgets in 2008, however, demand for fire trucks and other emergency vehicles plummeted and remained depressed for several years, destabilizing the industry and creating incentives for some manufacturers to search for exit opportunities. That’s when American Industrial Partners (“AIP”) — a private equity group and the financier behind what would become the REV Group — appears to have seen an opportunity, not to *build* a great fire truck manufacturing company, but to *buy* a bunch of existing ones, roll them up in a holding company to create a duopoly with Pierce, and leverage the power in that consolidation to extract profits on the backs of local governments struggling to maintain fire protection for their communities.

**II. Then, a private equity group and a defense conglomerate rolled up fire truck manufacturers and dealers.**

**A. American Industrial Partners (AIP) and REV Group**

Capitalizing on the economic turbulence created by the Great Recession, AIP purchased the fire-truck manufacturing company E-ONE in 2008. E-ONE built a full line of fire-fighting vehicles, from brush trucks and pumpers to aircraft rescue and firefighting vehicles. E-ONE was the first fire truck manufacturer in AIP’s portfolio. In 2015, AIP merged several companies it had acquired across the emergency apparatus sector, including E-ONE, into a conglomerate called the REV Group, which then became AIP’s roll-up vehicle.



In 2016, REV Group bought out Kovatch Mobile Equipment Corporation (“KME”), a 70-year-old manufacturer based in Nesquehoning, Pennsylvania, with strong market share in the Mid-Atlantic region and California. The next year, REV Group acquired Ferrara, a large Louisiana company with approximately \$140 million in annual revenue that had been one of E-ONE’s direct competitors in the South. This acquisition cemented REV Group as a dominant fire truck manufacturer with control over an estimated 44% of fire and ambulance sales in North America — but it was still not enough for AIP. As CEO Timothy Sullivan explained to shareholders after AIP took REV Group public later that year, REV Group would now proceed to double its subsidiaries profit margins — from 4 to 5 percent to above 10 percent. “You bring them into the fold,” Sullivan elaborated, “you got to give them the religion, and they’ve got it now.”

Apparently not satisfied with control over E-ONE, KME, and Ferrara — each a prominent fire apparatus brand in its own right — REV Group went on to purchase Spartan Emergency Response and Spartan Fire Apparatus and Chassis (collectively, “Spartan”), Smeal Fire Apparatus (“Smeal”), and Ladder Tower Company (“Ladder Tower”) in 2020. These brands had a significant presence in the Midwest market and solidified REV Group’s position as the top fire truck manufacturer in the country, with at least 30-40% of annual fire truck sales. In fact, REV Group’s functional market power may be even greater than this estimate because REV Group is known to supply small and independent fire truck manufacturers with custom chassis, a critical truck component.

Since consolidating this power, REV Group has apparently sought to tamp down competition in the industry. Although REV Group executives initially made a show of preserving the independence of the Group’s expanding list of subsidiary manufacturers and their dealers, they simultaneously warned that aggressive or “negative” competition among subsidiaries would not be tolerated.

By 2021, REV Group stopped even pretending to support subsidiary independence. A REV Group investor presentation that year proudly referred to REV Group as “an industry consolidator.” That same presentation also highlighted a strategy that called for REV Group’s subsidiaries to “[c]onverge on common designs that can be shared across brands,” and to use Spartan’s Metro Star chassis/cab as the “platform” for their offerings. The presentation further called for the elimination of geographic overlaps between the marketing of its different fire-truck brands and dealers. From that point on, the presentation indicated, REV Group’s fire apparatus operations would be “center-led” — with REV Group dictating and managing the execution of “margin improvement actions” across its subsidiaries.

## **B. Oshkosh Corporation and Pierce Manufacturing**

Oshkosh responded to REV Group’s roll-up by making acquisitions of its own. In 2021, Oshkosh’s primary North American subsidiary, Pierce, announced that it had acquired Boise Mobile Equipment (“BME”). BME’s product portfolio — which allowed Pierce to expand its reach and focus to West Coast and Mountain West markets — included increasingly critical wildland fire-fighting equipment. The next year, Oshkosh made another acquisition by taking over MaxiMetal, Inc., a leading designer and manufacturer of custom fire trucks in Canada.

In addition to purchasing third-party manufacturers, Oshkosh also mirrored REV Group in embarking upon a strategy of consolidating the U.S. brands and dealers already within its purview, reducing or eliminating geographic overlaps between their marketing territories. Between 2018 and 2019, a rash of Oshkosh dealer mergers effectively gave distribution monopolies to a single dealer or subsidiary in the upper Midwest, the Southwest, and much of New England.

To begin with, Oshkosh subsidiary MacQueen Emergency Group (“MacQueen”) acquired Schumacher Fire Equipment, giving MacQueen consolidated control in Minnesota, Nebraska, South Dakota, North Dakota, and 109 Missouri counties. Then, Pierce dealer Siddons-Martin Emergency Group (“Siddons”) acquired Superior Equipment, consolidating control over the Texas, Louisiana, New Mexico, Utah and Nevada markets for Pierce trucks. Finally, Allegiance Fire and Rescue (“Allegiance”) bought out Minuteman Fire and Rescue in November 2019, engrossing the Pierce markets in several New England states including Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. These consolidations among Pierce dealers continue well into the present. In September 2023, Pierce dealer Firematic Supply Company (“Firematic”) gained control over the Connecticut and New York markets by acquiring Churchville Fire Equipment. And just two months ago, Pierce consented to dealer Reliant Fire Apparatus (“Reliant”) buying Halt Fire, Inc., thereby consolidating Reliant’s “exclusive Pierce territory” to include Michigan, in addition to existing territories in Wisconsin and Iowa.

These brand and dealer consolidations are especially concerning because fire departments use dealers for a variety of “aftermarket” services and equipment over the life of a fire truck, including repairs and replacement parts. By eliminating geographic overlaps and giving Pierce dealers exclusive control over vast territories, these seemingly center-led consolidations call to mind the mergers of farm-tractor dealers in the 2000s and 2010s, which were pushed by dominant tractor manufacturers John Deere and CNH just as they were beginning to deploy repair-

restricting technologies that forced farmers to use dealer repair services exclusively. The result for farmers, of course, has only been more expensive and less reliable repair services.

**III. The roll-up of fire apparatus manufacturing by REV Group and Pierce has undermined the industry's production capacity, raised fire truck prices, and restricted innovation and small-business opportunity.**

Demand for fire trucks picked up in the mid-2010s as the economy rebounded after the Great Recession, increasing steadily until approximately 2020. Between 2020 and 2022, the number of fire truck orders spiked as municipal coffers became flush with CARES Act, ARP, and BBB funds. Demand has not soared to some unheard of level, however. Since 2022, order activity has hovered between 5,500 and 6,500 — in other words, around the same level of demand that persisted in the mid-2000s before REV Group rolled up the fire apparatus industry and set up a duopoly with Pierce.

But REV Group and Pierce have not kept pace with this increased demand. Particularly within the last few years, order backlogs have ballooned. For example, as of October 2024, REV Group reported having a record \$4.2 billion backlog on fire and emergency vehicle orders in the United States. Pierce has reported similarly mammoth backlogs. Pierce's backlog of firetruck orders quadrupled from 2019 to 2023; it recently reported \$4 billion in orders placed but not fulfilled.

Increased backlogs have translated to substantial delays prior to delivery of new fire trucks. Wait times in some areas have more than quadrupled, from one year to 4.5 years. For one example, the mayor of Carmel, Indiana, recently told the New York Times that her city — which is growing and needs to add more fire stations — expects to be able to acquire land, design a station, construct the building, hire firefighter and train them, all before the fire truck for the station is delivered.

In addition to delays for new trucks, delays have also increased for replacement part orders. Gil Carpenter, a fire chief in Benton, Arkansas, explained that prior to REV Group rolling up Ferrara, he would call a guy named Charlie whenever he needed a replacement part. Charlie would ship him the part the next day. But in 2024, when one of the Benton fire department's vehicles needed new parts, delivery was delayed for more than 10 months, and Mr. Carpenter's department was left without one of its eight trucks for nearly a year. "It's a nightmare," he said.


These backlogs cannot be explained by supply chain disruptions in the wake of the COVID-19 pandemic or other geopolitical events of the early 2020s. Although supply chain issues plagued industries across the United States in 2021 and 2022, the Federal Reserve Bank of New York's Global Supply Chain Pressure Index returned to baseline by early 2023 — and hit its lower point on record in May 2023. We're well past the expiration date on using COVID as an excuse.

**A. REV Group and Pierce have failed to expand capacity and even shuttered working facilities in the face of expanding demand — creating and exacerbating a fire truck shortage.**

In an open, competitive market, one would expect a significant and durable surge in demand like the one we've seen in the fire truck market since the mid-2010s to be met with a corresponding increase in capital investments in manufacturing capacity. But no such investments have materialized from either REV or Pierce. REV Group has recently spent only a small portion

of its revenues — about 1 percent — on upgrading its buildings and equipment. Alexander Yaggy, a former investor in REV Group’s stock, called this minimal investment in the face of significant industry backlogs “reflective of an uncompetitive market.” And Oshkosh has not attempted to meet the surge in demand or seek to capture market share by ramping up their production.

Indeed, not only have Pierce and REV Group failed to invest in new manufacturing capacity, but they have also shuttered existing plants. In September of 2021 — right when the industry, and REV Group in particular, was seeing a swell in demand — REV decided to shut down two of its custom fire truck manufacturing facilities in Pennsylvania and Virginia. The closure cut REV Group’s manufacturing footprint by roughly one third.

 <b>DEMONSTRATED BUSINESS SIMPLIFICATION</b>			
	2017	2020	2024*
Manufacturing sites	21	22	17
Aftermarket / Parts sites	13	13	5
Reporting segments	3	3	2

**Actions**

- Exited REV Brazil & REV China JV
  - No manufacturing operations outside of the US
- Exiting bus manufacturing\*
- Exited much of the company-owned direct dealer footprint
- Consolidated and rationalized fire apparatus manufacturing locations

**Streamlined operations with a focus on simplification & centers of excellence**

\* Includes the wind-down of ENC manufacturing operations, which is expected to be completed by the end of fiscal year 2024.

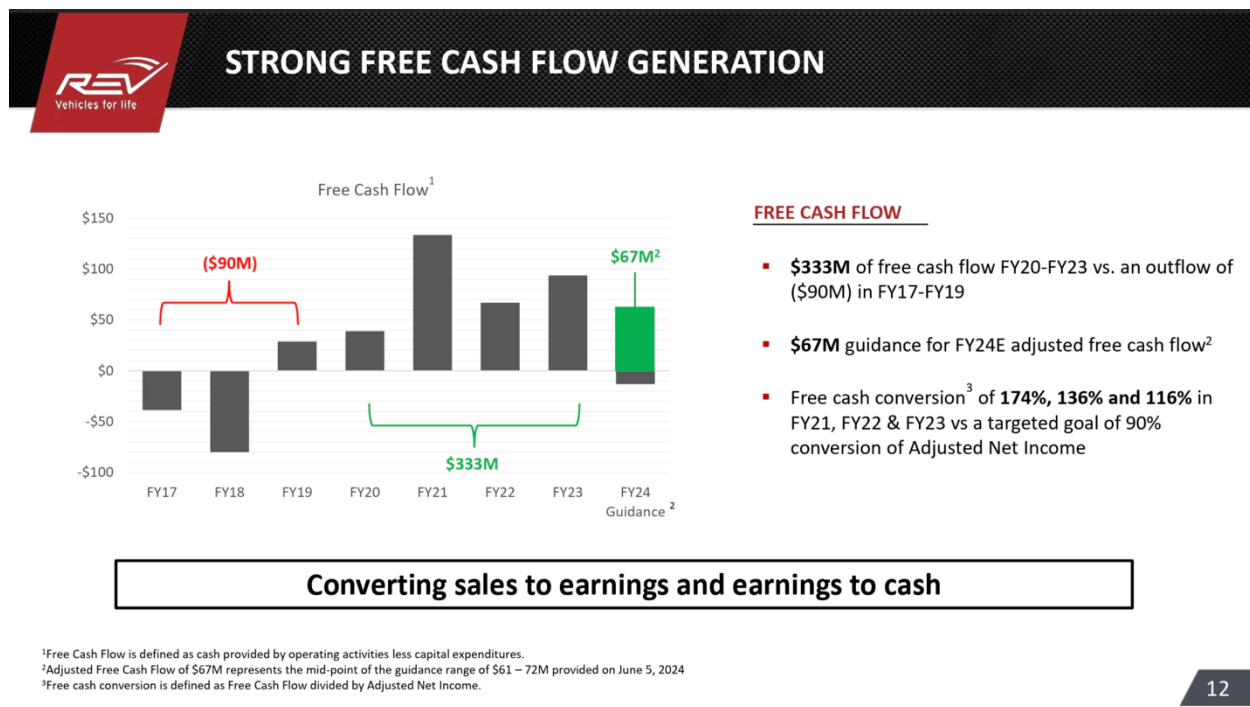
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In a press release, REV Group stated that orders then in progress at the two KME facilities would be transferred to other REV Group manufacturing plants. The process, unsurprisingly, resulted in additional, substantial delays. Matthew R. Timerman, a fire chief whose department had ordered a \$1.2 million ladder truck from REV Group slated to be completed at the KME Pennsylvania plant, discovered the truck would instead be assembled at three different manufacturing sites, resulting in additional delays. Eventually, Mr. Timerman received his truck more than four years after his department first placed the order.

Despite these record-setting backlogs, REV Group and Pierce appear unconcerned that their customers might cancel orders or that a competitor might steal their business. Mark Skonieczny, REV Group’s current chief executive, explained during a 2023 conference call with investors that the company did not expect the delays to cause cancellations because once a city sets aside the money, it is “earmarked” and REV Group gets a deposit. “That money is allocated to those units, so we feel good about that.” Skonieczny further commented, “I don’t think it’s impacting our market share.” According to REV Group’s SEC reports, the company believes its backlog *enhances* its value to shareholders by providing “strong visibility into future net sales.”

**B. In the absence of vigorous competition, REV Group and Pierce have no incentive — and will not have an incentive — to invest in expansion or innovation that brings fire truck prices down or eliminates backlogs.**

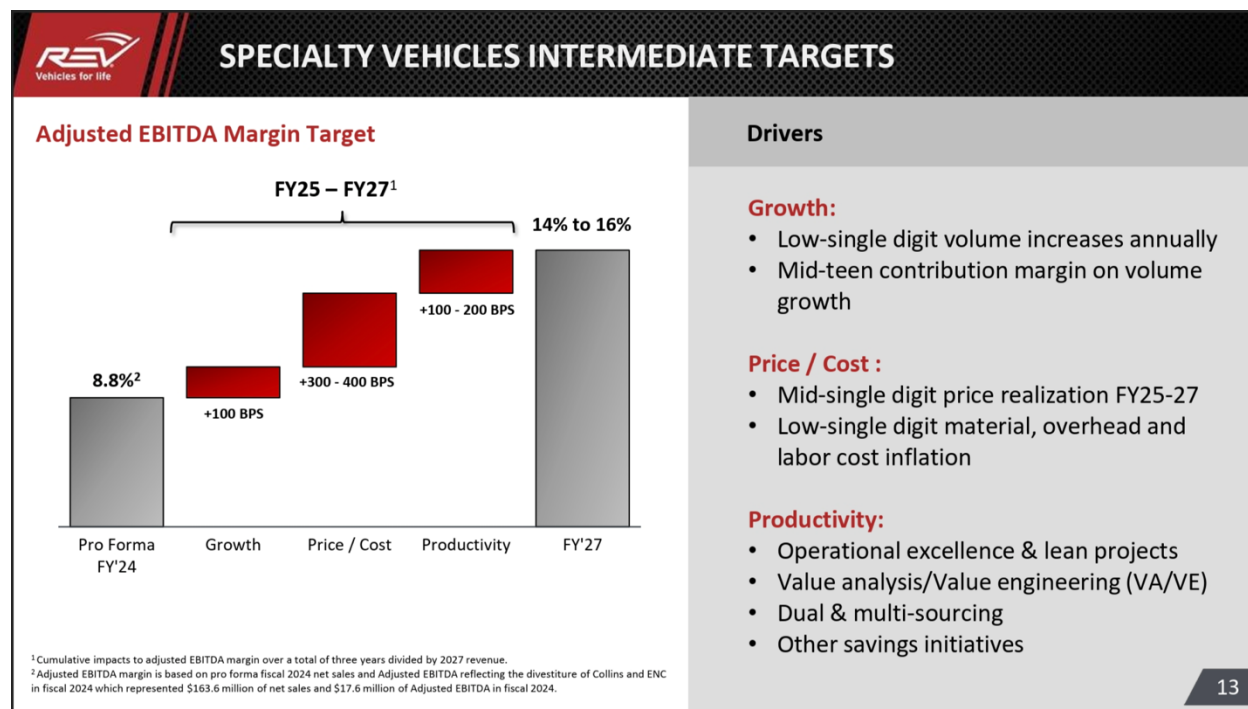
With growing demand pushing against flat or declining supply, the cost of fire trucks has soared to unheard of levels. An industry leader has commented that the industry has “reached a new level of price psychology. Today, relationships start at a half million dollars, and 10 years ago that was a remote concept.” As a result, record-setting backlogs have translated into record-setting profits for REV Group and Pierce. In the 2010s, the profit margins of the two companies’ fire apparatus divisions almost never left the low-to-middle single digits. Since 2024, they are routinely going all the way up to the low double digits — and both corporations have stated to investors that they intend to continue raising them until they settle around the 15% range. On the back of its rising profit margins and expanding backlog, REV Group’s capitalization has exploded from approximately \$500 million in October 2020 to \$1.5 billion in December 2024.



This does not bode well for REV Group or Pierce/Oshkosh having any incentive to solve the crisis in fire apparatus manufacturing. And the companies have made clear they do not intend to do so. Neither REV Group nor Oshkosh have made a habit of making large capital investments in new or expanded fire-apparatus manufacturing facilities; indeed, over the last decade both have invested only the bare minimum required to replace depreciated equipment at existing fire apparatus plants — and in many years, not even that. Going further, REV Group has made its unwillingness to make significant capital investments a veritable centerpiece of its business model and appeal to investors. In presentations to investors, the company consistently emphasizes its “disciplined” approach to “capital allocation,” its commitment to not make any capital expenditures above maintenance-level that will not improve returns on invested capital, and its



pledge to convert at least 90% of its net income into “free cash flow” to be returned to investors rather than capital investments to be plowed back into the business.



**C. Meanwhile, the ability of independent fire apparatus manufacturers to enter the market, expand, and offer competition to REV Group and Pierce has been restricted.**

While REV Group and Pierce have used their overwhelming market share and disinvestment in manufacturing capacity to gouge fire departments and other customers, there has been little meaningful challenge to their dominance from smaller fire-truck manufacturers. We do not know exactly why that is — partly because many people in the industry seem to be afraid to speak for fear of being retaliated against by REV or Pierce — but industries with similar structures suggest there could be a few different anticompetitive practices at work. First, REV Group could be imposing exclusionary contract terms on smaller manufacturers that make it difficult for them to switch to other potential chassis suppliers or diversify their sources. Second, either the structure of municipal procurement itself — which has come to be dominated by several large cooperative purchasing organizations (“CPOs”) — or something about the relationship between CPOs and REV/Pierce may be impeding the ability of smaller manufacturers to access markets. Third, as large firms with billions of dollars in business, REV Group and Pierce are likely able to gain unfair advantages in their access to freight services (like railroad shipping) and their ability to extract discriminatory prices from suppliers of key inputs (like steel), making it well-nigh impossible for small manufacturers to compete against REV Group and Pierce on the merits and expand out of their dependence on REV Group for custom chassis. Finally, there is simply the problem of financing. In general, we no longer have a financial system where banks are willing and able to lend someone money to start a small industrial firm like we once did.<sup>1</sup> All of these issues we need

<sup>1</sup> Almost 70% of local banks have disappeared since the 1980s; in significant part due to mergers and acquisitions. See, e.g., Farm Action, Public Comment re: Antitrust Division Banking Guidelines Review, 1-2 (Feb. 15, 2022),

our public officials — both enforcers and lawmakers — to investigate so that, once again, we might have a vibrant, healthy ecosystem of fire apparatus manufacturers who compete to *serve* the public's needs — not exploit, and prey on, and profiteer off of them.

#### IV. Where do we go from here?

While REV Group and Oshkosh's apparent consolidation of economic power over fire truck manufacturing is appalling, it is not some unsolvable, intractable problem we just have to live with. In my view — and, indeed, in the view of the Federal Trade Commission and the Justice Department's guidelines on anti-merger enforcement — the antitrust laws already prohibit the kind of monopolistic roll-ups and acquisition streaks that REV Group and Pierce appear to have perpetrated. Indeed, a series of acquisitions that gives a single firm control over 30% or more of a market — like REV Group's serial acquisitions of fire truck manufacturers between 2015 and 2020 did — is presumptively unlawful under the antitrust laws.<sup>2</sup> Federal enforcers can and — in order to ensure that national security and public safety are not undermined by concentrated private control over the supply of essential equipment like fire trucks — should investigate the conduct of REV Group and Pierce over the last decade and a half and, if appropriate, bring lawsuits to restore free and fair competition to this critical industry.

More broadly, the FTC should conduct a 6(b) investigation to bring sunshine into this opaque industry and give lawmakers and the general public more information about its problems and how we can solve them. Specifically, the FTC should investigate topics such as: (1) national and regional market shares of the top firms, both in fire truck manufacturing and adjacent industries; (2) national and regional consolidation trends; (3) typical contractual terms imposed on fire departments; (4) the extent to which transactions have led to price hikes, reduced production capacity (*e.g.*, through plant closures), or worse delivery delays; and (5) the extent to which regions that have been impacted by consolidation have experienced changes in response times or other metrics that impact public safety.

Finally, while I believe existing antitrust laws provide the tools necessary to check the abuses that appear to have been perpetrated in the fire-truck manufacturing industry, the fact that REV Group was able to roll-up the industry “under the radar” and escape scrutiny and accountability for more than a decade suggests we need also to strengthen the antitrust laws. As written and construed at this time, the antitrust laws have become almost inadministrable. Congress should explore ways to expedite and simplify antitrust enforcement, including by implementing “rocket-docket” rules to streamline cases, legislatively overruling *Twombly* and other cases that make it unduly difficult for enforcers to open discovery in antitrust cases, and adopting anti-retaliation laws to aid the investigation and prosecution of antitrust violations, particularly in public-safety industries. In addition, this committee should explore ways to provide more sources of funding and direct capital toward smaller manufacturers that could provide competitive options in the fire apparatus and other emergency equipment sectors.

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<https://farmaction.us/wp-content/uploads/2022/02/Comment-on-Bank-Merger-Guidelines-from-Farm-Action-e2-Entrepreneurial-Ecosystems.pdf>. Small towns and rural areas have been particularly hard hit, resulting in “credit deserts.” *Id.* One two-decade study of banking transactions at nearly all U.S. banks found that there is “a clear, consistent and highly significant inverse relationship between bank size and the relative share of small and micro business loans issued by banks.” Achraf Mokhiber and Richard A. Werner, “The relationship between bank size and the propensity to lead to small firms: New empirical evidence from a large sample,” *Journal of International Money and Finance*, Volume 110, February 2021, <https://www.sciencedirect.com/science/article/pii/S0261560620302370>.

<sup>2</sup> See *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963).

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***Biography***

Basel Musharbash is principal attorney at Antimonopoly Counsel, an antitrust law and policy firm in Texas. He represents family farmers, small businesses, and local governments in regulatory advocacy and impact litigation aimed at righting the wrongs of concentrated corporate power in rural communities. His work has included bringing antitrust and unfair-practice lawsuits on behalf of family farmers and workers, conducting antitrust investigations on behalf of local governments, and helping farmers and small businesses in rural communities convey their concerns to antitrust enforcers and other regulators. Basel holds a B.A. from the University of Texas at Dallas and a J.D. from The George Washington University Law School, and is licensed to practice in Texas.