



The Los Angeles Fire Department maintenance yard is packed with vehicles that are out of service.

Fred Greaves/Reuters

As Wall Street Chases Profits, Fire Departments Have Paid the Price

Fire engine manufacturing is now largely controlled by three companies. Around the country, prices have soared, and orders can take years to fulfill.



By [Mike Baker](#) [Maureen Farrell](#) and [Serge F. Kovalski](#)

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Desperate to gain control of flames that were raging through Pacific Palisades last month, the Los Angeles Fire Department issued an urgent call for any available personnel to report for possible deployment.

But there was a problem: Dozens of the rigs that would have carried extra crews that day were out of service. The city maintenance yard was filled with aging fire engines and ladder trucks, many of which were beyond their expected service life.

Chuong Ho, a firefighter and union leader who was among those who reported for work on Jan. 7, said many of the firefighters who were available to help that day could not be sent to the front lines.

“We didn’t have a spot for them,” Mr. Ho said.

That breakdown, records show, was in part a result of the city’s failure to hire enough mechanics to keep the rigs in service. But there was also a deeper problem: For years, the fire truck industry had been ratcheting up prices on new rigs and failing to meet delivery dates of those that were ordered. Some departments have waited years for replacement vehicles while hunting the internet for parts to keep their older rigs going.

Those problems have compounded in recent years as Wall Street executives led an aggressive consolidation of the industry in a plan to boost profits from fire engine sales. One company, backed by a private equity firm, cut its own manufacturing lines as part of a streamlining strategy and then saw a backlog of fire engine orders soar into billions of dollars.

The industry disruption has had effects well beyond Los Angeles — straining big cities like Atlanta and Seattle, and smaller ones, such as Watertown, N.Y., and Camden, N.J. Fire departments have expressed growing frustration with delayed deliveries and rising costs that are leaving them with dilapidated fleets that are more likely to break down, including some that have done just that during emergencies.

Industry officials say that lingering labor shortages and supply chain problems that began during the coronavirus pandemic have led to manufacturing delays, but also concede that the industry has consolidated in an effort to find efficiencies.

Edward Kelly, general president of the International Association of Fire Fighters, said it was clear that the pandemic brought on problems.

“But in hindsight, it was masking what ends up being a main driver of higher cost and lag time in production: the monopolizing of fire truck and ambulance manufacturing in the United States,” Mr. Kelly said. “At the end of the day, absent competition, monopoly capitalism is a shakedown.”

Gil Carpenter, a fire chief in Benton, Ark., said his department was facing steadily rising costs for new trucks. And suppliers who were once responsive, he said, have grown more distant and focused on profits.

“When is enough enough?” Mr. Carpenter asked. “And at what point are you going to sacrifice public safety for profits?”

Industry consolidation



Firefighters battled flames engulfing businesses last month on Sunset Boulevard in Pacific Palisades, Calif. Credit...Mark Abramson for The New York Times

The fire engine industry was once made up of small, local manufacturers, many of whom built dozens or hundreds of trucks per year. By the late 1990s and early 2000s, some of those companies were struggling to stay afloat.

Wall Street investment firms saw an opportunity to buy these troubled firms for low prices and combine them. In 2006, a midsize private-equity firm, American Industrial Partners, decided to create one large company out of a collection of small specialty vehicle businesses. They bought up fire truck companies, as well as those making ambulances, school buses, street sweepers and recreation vehicles and combined them into a company called Rev Group. They took it public in 2017 but retained control over all operating decisions and who would serve on the board.

The plan they articulated to shareholders was to make the companies more efficient — and also a lot more profitable. Timothy Sullivan, Rev Group's chief executive, told analysts at the time that the companies they were acquiring were operating with a profit margin of 4 to 5 percent, and that they were on a path "to get all of them above that 10 percent level."

"You bring them into the fold, you got to give them the religion, and they've got it now," he said.

Other companies were adopting a similar model, Mr. Sullivan said, including Pierce Manufacturing, a division of Oshkosh Corporation that has recently sold many vehicles to the Los Angeles Fire Department.

Rev Group now controls as much as 30 percent of the fire truck market, according to industry estimates the company cites. Together, the industry's three largest companies — Rev Group, Oshkosh and Rosenbauer — control about 70 to 80 percent of the market.

High profits and long delays



Some fire departments have waited years for replacement vehicles. Credit...Liam Kennedy for The New York Times

After going public, Rev Group bought up two more key fire truck makers, Spartan and Ferrara, but found it hard to find streamlining efficiencies.

One problem is that there is little room for automation in the industry, said Mike Virnig, who now serves as president of Rev's division that manufactures fire trucks. Unlike the automobile industry, fire departments buy trucks every 10 to 15 years on average and have incredibly specific requests, so most trucks are bespoke vehicles.

The pandemic caused global supply chain issues that made it difficult to acquire parts at the same time that fire departments, who were receiving an influx of federal, state and local Covid stimulus grants, started buying new trucks at a pace not seen in more than a decade. Truck manufacturers struggled to find workers.

But the streamlining efforts also had an effect. Rev Group closed two plants in 2021 — one in Pennsylvania, another in Virginia — cutting the company's manufacturing footprint by roughly one third.

Along the way, wait times soared. Before the pandemic, Rev Group had a backlog of roughly \$1 billion worth of fire department orders that were expected to take a year to 18 months to fulfill. That has since jumped to \$4 billion worth of orders that they estimate will take two to three years to deliver.

Still, Rev Group's profit margins jumped to what they described as an "exceptional 8.9 percent" for the division that includes fire trucks in 2024. That same year, its longtime backer and owner, American Industrial Partners, sold nearly all of its shares, but before doing so awarded a special dividend of \$180 million of which nearly \$80 million went to A.I.P.

Rev Group wasn't alone in order delays. Oshkosh said its backlog of fire truck orders has increased dramatically, quadrupling from 2019 to 2023, when it reported some \$4 billion in orders placed but not fulfilled.

Mark Skonieczny, Rev Group's current chief executive, said at a 2023 conference call 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."

Compared to an average manufacturing company, Rev Group spends a small portion of its revenue — about 1 percent — on upgrading its buildings and equipment. Rev said this rate of spending was not a factor in the company's manufacturing delays.

"How can you have a \$4 billion backlog and not spend any money to support it?" said Alexander Yaggy, a former investor in Rev Group's stock. "It's reflective of an uncompetitive market."

'It's a nightmare'



Chief Matthew R. Timerman at the Emma Flower Taylor Fire Station in Watertown, N.Y. Credit...Liam Kennedy for The New York Times

In May 2021, after the country had passed through the first year of the pandemic, officials in Watertown, N.Y., ordered a \$1.2 million ladder truck from a division of Rev Group, with an expectation that the vehicle would be delivered a little more than a year later.

But after department representatives visited the plant in Pennsylvania where it was to be built, the fire chief, Matthew R. Timerman, said they learned that the facility was to be shut down and the truck would be assembled at three different manufacturing sites. Delivery has been delayed multiple times — with the most recent projection for late this year, more than four years after the order was placed.

The department bought a used ladder truck from another city to keep operations running, but that truck is also more than two decades old.

Truck replacement plans have been upended all over the country. In Chicago, firefighters recently held a mock birthday celebration for a 30-year-old fire engine — twice its expected life span. In Seattle, wait times are averaging about four and a half years. Auditors in Atlanta found that at times more than a third of the firefighting fleet was out of commission, and that while the department had ordered new fire engines, some were still in production.

In Camden, N.J., the fire chief, Jesse M. Flax, said that the manufacturing delays and rising prices were “creating greater risk for the public and firefighters.”

About two weeks ago, one of the city’s aging ladder trucks was smoking and could not be driven faster than 15 miles per hour, and was taken out of service for several days for repairs, according to Samuel Munoz, president of the Camden Fire Officers Local 2578. A replacement that was scheduled to have been delivered in December has yet to arrive.

During a house fire last year, crews were slowed in their response by mechanical trouble on a truck that caused its hose to go limp, Mr. Munoz said. A resident died in that blaze, though other factors could have contributed to the death, according to the union and the department.

While trying to purchase new trucks, the city has in the meantime acquired several used vehicles, parts and equipment that are in good condition, Mr. Flax said.

One of the companies Rev Group acquired was Ferrara in 2017. Mr. Carpenter, the fire chief in Arkansas, said he had noticed changes since then beyond just the rising costs for firefighting vehicles.

Before, he said, when he needed a part for a Ferrara repair, he would call a contact named Charlie who would ship him the part the next day. But last year, when one of the department’s vehicles needed parts, it took more than 10 months, leaving him without one of his eight rigs for nearly a year.

“It’s a nightmare,” he said.

Troubles in Los Angeles



Homes destroyed by the Eaton fire in Altadena, Calif. Credit...Mark Abramson for The New York Times

In Los Angeles, records show that the city's fire department has long aimed to have 90 percent of its fleet ready for deployment at any given time, but has averaged only 78 percent in recent years. The department has requested about \$100 million for fleet replacement.

"Many vehicles have surpassed their expected service life, leading to increased maintenance costs, reduced parts availability and potential downtime," the department wrote in a budget proposal a month before the January wildfires.

The firefighters union has been concerned about equipment shortages for a while. Department officials said that current build times for new trucks range from two to four years, in part because of supply delays that began during the pandemic. "The checks and balances within the city's procurement system can pose challenges to the timely acquisition of apparatus," the department said in a statement.

Union officials said their own research showed that four ordered trucks had not been delivered, and that a steep rise in prices was also a problem.

Ladder trucks that cost \$1.3 million only a few years ago now cost about \$2.3 million, Mr. Ho said. The soaring costs have forced the department to order fewer rigs than originally planned.

Kristin Crowley, the fire chief in Los Angeles, has said that about 100 fire vehicles were out of service in January, a situation that impeded the department's ability to respond to the Palisades fire. Mr. Ho said that included about 40 engines and 10 ladder trucks that were out of service, along with about 40 other vehicles, such as ambulances.

In the months prior, the fire department had also requested that the city restore 16 positions focused on supply and maintenance that had been removed from the department's budget. Mr. Ho said the department had also faced challenges acquiring parts for aging vehicles, at times going on the internet to find replacement components.

A Los Angeles City Council member, Traci Park, whose district includes the area of Pacific Palisades ravaged by the recent wildfires, said it was unacceptable that so many emergency vehicles in Los Angeles have been inoperable.

"On any given day, it is dozens that are off line," Ms. Park said.

The fire truck industry, unlike the auto industry, has never been standardized, so cities typically buy a truck where almost every part is specialized for the needs of the fire department and the specific landscape and population it serves. This is partly because only about 10,000 fire trucks are manufactured each year.

To help keep down costs, Rev Group has created a more standardized vehicle that can be made in less than a year. If more fire departments choose this standardized model, said Mr. Virnig, the Rev Group executive, it is likely that overall wait times will drop.

Mr. Virnig said he believed the industry could return to more normalized manufacturing timelines of 12 to 18 months within a few years.

"I'd say it's going to take us a couple of years to work through this bubble again," he said.

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