

**Statement of Senator Elizabeth Warren**  
**Senate Budget Committee Hearing on “Warrior Met and Wall Street Greed: What Corporate Raiders are Doing to Workers and Consumers”**

Thank you, Mr. Chairman, for inviting me to participate in this hearing, and for your powerful work on this issue. I’m glad we have the opportunity to discuss the very real impacts that private equity and Wall Street giants have on workers and communities across the country.

For nearly a year, more than 1,100 Warrior Met Coal miners in Brookwood, Alabama have been on strike. They’re striking for nothing more than what they are owed: fair pay, fair benefits, and fair work practices. All of these were stripped away when giant, vulture private equity firms swooped in to buy Warrior Met’s predecessor company, Walter Energy, as it went through bankruptcy.

Apollo, Blackstone, and the other private equity firms that bought Walter Energy in 2016 presented themselves as white knights – here to save the company, to save jobs, and to save the day. But they were looking out for their own profits, not for workers. These private equity firms terminated the miners’ collective bargaining agreement with the United Mine Workers. They forced a pay cut of more than 20% on workers, and cut medical, leave, and retirement benefits. And they ended the company’s pension and health obligations to 2,800 retired coal miners and their families.

The private equity investors in Warrior Met dictated the terms and conditions of the 2016 takeover of the company, and continue to bear responsibility for the cuts in pay and benefits that have led to the Warrior Met miners’ strike.

Coal mining is dangerous work. The hours are long, the tasks are back-breaking. But when private equity took over, miners were told there wasn’t enough to give them the protections and the security they deserved.

But Apollo, Blackstone, and the other private equity firms? They made out like bandits, taking a page from the old private-equity playbook. They loaded Warrior Met up with debt, and then they used it to send nearly \$800 million in dividends back to themselves and to other shareholders. And then, after sucking out as much cash for themselves as they possibly could, private equity sold off their shares and moved on to the next victims.

Warrior Met miners are on strike today because private equity gave them a bad deal. What happened to Warrior Met is what happens when these billion-dollar Wall Street firms come to town: they extract as much as they can out of companies to line their own pockets, and it comes at the expense of workers and communities.

Private equity’s takeover of retail has killed more than 1.3 million jobs over the last decade. It’s responsible for jacking up prices for consumers in everything from education to health care. Research even shows that when private equity takes over a nursing home, short-term mortality rates jump by 10%.

But even as they keep raking in billions in fees, the typical private equity fund hasn't managed to outperform the stock market since at least 2006.

This is why I introduced my *Stop Wall Street Looting Act* in 2019 – and why I reintroduced it a few months ago: so we can put an end to predatory and dangerous private equity practices.

This is not about killing private equity – it's about fixing the system and protecting workers and their communities. My bill would prevent private equity firms from walking away after driving companies into the ground and leaving the workers in the dust. It prioritizes worker pay in the bankruptcy process and strengthens rules so that workers are more likely to receive severance, pensions, and other pay that they earned. It creates incentives for job retention, so that workers – like Warrior Met's – can benefit from a company's second chance after bankruptcy. And it ends the immunity of private equity firms from legal liability when the companies they own break the law. When workers at a plant are shortchanged or residents at a nursing home are hurt because private equity firms force companies to cut corners, private equity should be on the hook.

So Mr. Chairman, I thank you again for allowing me to testify today, and I appreciate your partnership on these issues. I'm going to keep fighting to identify and eliminate the outrageous practices of private equity firms. I'm going to keep fighting to make the *Stop Wall Street Looting Act* law. And I'm going to keep fighting to make sure Warrior Met workers get what they're owed.