

Escalation of commitment essay sample



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Escalation of commitment is defined as the tendency to invest additional resources into what is apparently a losing proposition, influenced by effort, money, and time already invested. The term can be used to describe poor decision making in business, government, and information systems, but particularly in connection with politics and gambling. An example of escalation of commitment pertaining to politics is identifiable with the “FastCat Fiasco” which was a political scandal in the Canadian province of British Columbia in the late 1990’s. It related to the construction of a fleet of high speed ferry vessels that were built under the NDP (New Democratic Party) Government in order to improve the capacity, speed, and service along the Horseshoe Bay of Vancouver and the Departure Bay of Nanaimo. Although the ferries were well-built, they have been a failure for the purpose for which they were built. They cost the province over 450 million dollars and was the primary reason that the New Democratic Party lost the 2001 elections by a landslide. (Hammersmark, 1)

There are many identifiable causes of escalation of commitment in the PacifiCat Project. First, the government promised that the three ferries would be launched and in service by the end of 1997. This was fallacious in that there were so many problems that they weren’t launched until two years later at the end of 1999. They were projected to cost \$70 million each at a cost of approximately \$210 million total. The final cost was a little over \$460 million plus many additional costs following their completion. The PacifiCat’s fuel consumption was dismal, burning more than twice the amount of diesel fuel per passenger per trip than any of the other ferries in the fleet. This large fuel consumption was also a concern in regards to air

and water pollution in the Georgia Strait Basin. The water jet propulsion consumed logs while the engine consumed abundant amounts of gas.

The local water were full of stray logs and wood from the lumber industry and became a problem for the fast ferries. For numerous reasons, the PacifiCats weren't very much faster than the ordinary ferries on the route. They weren't double enders which meant that they had to turn around at each end of every trip in order to load or unload. Also the route wasn't long enough to take full advantage of the FastCat's speed. What complicated this even more is the wake problem which required the FastCat's to slow down when not in open waters. The wake left behind by these ships was blamed for considerable damage to docks and marinas along the shores where they operated. It was planned that the PacifiCats would be able to make more trips daily because of their speed to make up for their smaller size. They had a smaller capacity than the conventional vessels they were built to replace. The C-class ship could carry 362 vehicles and 1, 442 passengers while the PacifiCat could carry 250 vehicles and 1000 passengers, although they were not faster, not bigger and a lot more costly to operate. They were hoped to be the answer to the congestion at Horseshoe Bay and Departure Bay terminals and prevent the need of expanding them. However, both terminals are now in the process of being expanded.

More importantly, there were political goals of the fast ferry program. The New Democratic Party had a very strong pro-labor disposition and were faced with the collapse of the shipbuilding industry. The need for a more efficient ferry system was the New Democratic Party's " battle cry" as they attempted to resuscitate the nearly dead shipbuilding industry in British

Columbia. Although BC Ferries initially recommended that a comparable ferry be leased for trials in coastal waters, the NDP decided to forego testing and committed to the construction project.

The most important and efficient way to minimize escalation of commitment in major projects such as the PacifiCat project in my opinion is to investigate and research the probability that the project will be successful or unsuccessful. If the NDP would have went along with the experimental ferry that BC Ferries proposed they would have realized that the venture was not going to be profitable. Also, there should also be individuals or organizations involved in the project that has no association with the project and has nothing to gain either way. The National Democratic Party's intention of the project was to gain favor in British Columbia by saving an important industrial industry.

Works Cited

Hammersmark, John. "The PacifiCats" 9 May 2002

"Sorting Out the PacifiCats Wake Woes" 1 October 200