

Annex 7

MANIPULATION WITH ERRORS WITHIN MPE'S – FUEL DISPENSERS

In the case of fuel dispensers, which have MPEs of 0.5% for normal fuels, soft fraud consists in setting the error to a level very close to the tolerance limit, in favor of the user of the fuel dispenser. This requires collusion between repairers and users on demand from the latter and it could be made any time, not just immediately before verification. An example can be given of a major distributor of fuels who did it on its petrol stations just 6 months after the last verification of the dispensing pumps (the reverification period being 2 years). These soft frauds are much more attractive to users than any reduction in verification fees that may result from liberalisation. The authorities in the Czech Republic have made an effort to counter it by issuing an internal guide for inspectors, asking them to use narrower MPEs when pumps are adjusted. However, since this action is not supported by legislation, it could only be called half-hearted. Users can decide to get fuel dispensers adjusted at any time; they do not care about any additional verification fees. It is possible to estimate what this implies for consumers. In the Czech Republic, an OECD member, this 0.5% means 300 ppm of GDP of unjustified profit in favor of fuel distributors at the expense of consumers annually. It can be assumed that this surprisingly high number is approximately the same in other developed countries — it is roughly ten times greater than the total of subsidies which those countries invest annually in their national metrology systems (established by BIPM in its Rapport BIPM-94/5).

This matter does not stop at the above-mentioned 0.5%: when actions of metrological supervision are made between verifications the errors found have to be compared with the so called expanded MPEs, which are usually twice as large as the MPEs for verification, to take into account effects of normal wear and tear over time. Now if authorities abandon subsequent verification by privatising it to licensed bodies, and confine themselves to mere supervision over instruments in use, it could drive these soft frauds to new highs of nearly 1%. This would be a direct consequence of the competitive environment: licensed verification bodies would like to satisfy the wishes (the word “needs” is purposefully avoided here) of users of whatever measuring instruments are under consideration: for them any such soft fraud is much more lucrative than any reduction of verification fees due to competition. Surely, to increase retailers' revenues by 0.5% to 1% without any costs is tempting enough not only in fuel distribution (and in future the situation will be much tighter here) but e.g. in weighing as well.

Therefore, whether anybody likes it or not, a freedom from commercial interests (in other words, a monopoly of an authority or a body linked to the local government) is the only way to get this kind of fraudulent behavior under control. The same type of argument is used to justify the national monopoly position of accreditation bodies – it can well be argued that the reasons are much stronger here than in accreditation. Everybody is aware of the traps presented by monopolies, but under certain conditions these are manageable. Another aspect of this matter is that any legal provisions aimed at minimizing these soft frauds can effectively be enforced, until the MPEs are adjusted in the legislation, only by application of subsequent verification (in both versions, after repair and periodic): the check that the error after an adjustment complies with whatever is stipulated by law can only be made immediately after the adjustment and the best tool for it is subsequent verification.

