

A Study on the Management Chaos of Product Oil Market and Its Rectification

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Abstract: Taking a county-level city in the Yangtze River economic belt as an example, on the basis of in-depth investigation, this paper studies the chaos of product oil management and its remediation. Refined oil refers to gasoline, kerosene, diesel and other alternative fuels that meet the national product quality standards and have the same purpose, such as ethanol gasoline and biodiesel. It is flammable and explosive, easy to accumulate static electricity, easy to leak and other characteristics. It is a special commodity and is closely related to the national economy and the people's livelihood, economic and social development and people's daily life. As a restricted commodity, refined oil is facing such problems as large wholesale and retail price difference, great impact of non-standard oil on national standard oil, and great impact of non ticket oil on ticket oil. The refined oil market is full of chaos and widespread throughout the country. Among them, illegal oil products are particularly rampant in coastal cities and important logistics distribution centers, which has damaged the national interests, seriously damaged the market order, and brought a series of potential safety hazards. Due to the huge demand for refined oil and the complex relationship of interests, the grass-roots government is facing severe challenges in governance, such as the lack of relevant laws and regulations, the difficulty of law enforcement coordination, and the difficulty of rectification. It is necessary to explore a comprehensive governance model, seek more legal support, and establish a supervision mechanism with unified responsibilities and rights to solve the current dilemma.

1. Introduction

In recent years, the operation of the refined oil market has been in chaos, and various illegal operations have emerged one after another, which has become a major problem that has plagued the government for a long time, and has brought severe challenges to the governance ability of the grass-roots government. In order to crack down on the illegal operation and transportation of refined oil products, Y City has set up a leading group to carry out special rectification actions for many times, but this phenomenon still continues despite repeated prohibitions. The main reasons are that there is a large market for illegal acts, there is a lack of laws, regulations and relevant policies, and it is difficult to obtain evidence at the scene of illegal acts, convict after investigation, and punish in grass-roots law enforcement, Lack of guarantee mechanism for law enforcement

cadres. Therefore, it is very urgent to study the comprehensive management mode of this problem, explore more ways of system construction, explore the establishment of a unified supervision mechanism of responsibility and power, and seek more legal system supply mechanisms[1].

2. Illegal Operation of Refined Oil in y City

2.1 The Contradiction between Supply and Demand in the Market is Prominent.

As an important logistics distribution center, express logistics is developing rapidly in Y City, and the demand for refined oil by truck transportation vehicles is huge. The distribution of logistics and transportation enterprises in the city is relatively concentrated. There are 9 places such as truck cluster area, more than 4600 registered mechanical equipment using diesel on the construction site, and 34142 registered trucks. According to incomplete statistics, the annual diesel oil consumption in Y City is about 245000 tons, and the gasoline oil consumption is about 412000 tons. At present, there are only more than 50 licensed social gas stations in Y City. In addition, due to the restrictions on truck traffic and other factors, it is extremely inconvenient for the above-mentioned logistics and express enterprises to transport vehicles to the social gas stations to which “three barrels of oil” belongs, and it can not meet the needs of vehicles.

2.2 Diversification of Illegal Business Entities.

There are four main forms of illegal operation of refined oil in Y City: first, some enterprises sell diesel oil in the name of their own oil depots; The second is illegal oil storage points, which are set at the entrance and exit of the expressway or at a relatively open place on the roadside, with large oil tanks and container containers, mainly wholesale diesel; Third, use van type trucks for refitting, place oil tanks and refueling pumps in the carriages, and go from village to village to run diesel; Fourth, some regular filling points purchase unqualified oil products for external sales, which are mainly distributed to logistics enterprises and construction sites.

2.3 Highlight Potential Risks

2.3.1 Incomplete Licenses Disturb the Market Operation Order.

Influenced by the international situation, the oil price of China's refined oil fluctuates greatly. Criminals either trade illegally through smuggling channels or from wholesale enterprises to avoid the supervision of taxes and fees, so as to meet the objective needs of logistics enterprises, which provides fertile soil for Illegalrefueling points. The licenses of Illegal fuel points are incomplete, some of them have business licenses, do not have the approval certificate for retail operation of refined oil and the business license for dangerous chemicals, or do not have any licenses and certificates, do not have the qualification for retail operation of refined oil, and tax evasion is serious, and the sales price is far lower than the market price of refined oil. If it is allowed to overflow, it will disrupt the normal market operation order.

2.3.2 The Equipment is Simple and Has Major Potential Safety Hazards.

Diesel oil belongs to flammable and dangerous goods, and relevant qualifications are required for transportation and storage. Due to the lack of necessary operating equipment, standardized operating procedures and security measures, Illegal fuel points often have serious potential safety hazards. Many Illegalrefueling points are mostly hidden near residential areas or industrial plants. Once a fire or explosion occurs, the consequences will be unimaginable. At present, all mobile

illegal refueling points have Illegal Refitting of vehicles. They do not have a dangerous goods transportation license, do not implement the dangerous goods transportation operation system, and lack necessary safety protection measures and emergency means, which are very likely to lead to major safety accidents.^[2]

2.3.3 The Oil is Inferior and Seriously Pollutes the Environment.

The sources of oil products at the Illegal filling points are complex, the quality parameters are uneven, and the sulfur content of the oil products seriously exceeds the standard, resulting in a large amount of sulfur dioxide in the tail gas, which is easy to form acid rain when entering the air in wet weather, and sulfide is also the main factor causing haze. At the same time, due to the lack of necessary environmental protection treatment facilities, the Illegal fuel points that occupy the embedded oil storage tanks in the farmland have serious leakage during the oil filling process, causing great damage to the soil structure and ecological environment of the land.

2.3.4 It is Difficult to Rectify, and Illegal Acts Continue Despite Repeated Prohibitions.

In recent years, the government of Y City has organized several rounds of special rectification actions, but under the situation of “campaign” law enforcement, the Illegal fuel points are still rampant, despite repeated prohibitions, causing deep harm. With the intensification of the crackdown, the operation of Illegal fuel points has become more hidden. Some Illegal fuel points have formed a fixed supply-demand relationship with freight vehicles, some have made an appointment to refuel by telephone, and some are highly mobile. The storage locations are scattered and hidden, making it more difficult for the government to crack down on them. In previous years, in order to avoid the occurrence of mass incidents such as the collective strike of logistics enterprise drivers, The relevant departments threw taboos into law enforcement, resulting in the rectification action becoming a “gust of wind”. Many Illegal filling points were revived after the rectification and ban, which became a major persistent disease of the local government.

3. Reasons for Chaos in the Refined Oil Market

3.1 It is Difficult to Approve Regular Gas Stations.

Although the gas station has a large profit margin and great market temptation, the state has strict laws and regulations on the production, sales, storage, transportation and other links of refined oil. Not only the initial investment is huge, but also the procedures are complicated, and there are many constraints, which require the administrative permission of more than 9 departments. In addition to the business license, the sales need the permission of the commercial department, the transportation needs the permission of the highway management department, and the storage needs the permission of the emergency management department. In addition, it also involves many departments such as land, planning, fire control, etc., and the market access threshold is high. At present, the final approval right of gas stations belongs to the Municipal People's government at the prefecture level, and the county-level commerce department, as the competent department of the refined oil industry, has the responsibility and power. Therefore, even if there are few regular gas stations and there is a large gap between the price and non-standard oil, it is difficult for the grass-roots government to change the current situation by ensuring supply in the short term.

3.2 The Layout of Regular Gas Stations is Unreasonable.

According to the statistics of the 14th five year plan for the development of modern logistics industry in Y City, in 2020, there were 86 A-level logistics enterprises in Y City, including 2 5A level and 28 4A level, with significant scale; Y City has completed 85.85 million tons of commercial freight, including 83.3404 million tons of road freight and 7.18 billion pieces of express business, ranking first in the country; In 2025, the planned road freight volume of Y City will be 120 million tons, and the express business volume will reach 12billion pieces. With the continuous improvement of the status of logistics hub, the number of transportation vehicles in Y City will continue to increase, and the demand for diesel will inevitably increase. Subject to the strict product oil sales license system, the distribution of regular refueling stations in the region is unreasonable, resulting in an extreme imbalance between supply and demand in the diesel market^[3].

3.3 Convergence of Interests.

In recent years, with the change of economic environment at home and abroad, on the one hand, the cost of oil price remains high. The price of No. 0 diesel has soared from 6.5 yuan / L in June 2021 to 8.7 yuan / L in June 2022. However, the transportation price can not keep up with the rising speed of oil price. Logistics enterprises and drivers have a strong desire to get cheaper and more convenient refueling services. On the other hand, the average price of diesel oil sold at Illegalfilling points is 600 ~ 1000 yuan lower than that of regular enterprises per ton, and the price difference of oil is an important profit for logistics enterprises. Based on this, the actual demand provides a huge market for the illegal operation of refined oil products, and the interests of Illegalrefueling points and logistics enterprises converge. Compared with regular gas stations, the services provided by Illegalgas stations are more timely and convenient. They can carry out oil delivery services almost anytime and anywhere, and even allow refueling on credit, further strengthening the cooperative relationship with logistics enterprises^[4].

3.4 Law Enforcement Coordination is Difficult.

The regulation of Illegal fuel points involves more than 10 departments, including commerce, urban management, market supervision, emergency management, transportation, public security, taxation, customs, etc. these departments are both under the management of local governments and under the jurisdiction of vertical departments, with complex levels. It is difficult to effectively implement the Department linkage mechanism, and the coordination is difficult. Objectively, it causes unclear rights and duties, overlapping responsibilities, and it is very easy to cause problems such as mutual prevarication. Secondly, the Department's law enforcement means are subject to the administrative enforcement law and the administrative punishment law, which makes it difficult to obtain evidence in the investigation and handling of illegal oil cases, which leads to the slow progress of the investigation, prosecution and trial of some suspected crimes, and can not cause a strong legal deterrent.

3.5 It is Difficult to Obtain Evidence At the Illegal Scene, Punish after Investigation, and Convict.

3.5.1 As the Subject of Law Enforcement.

(1) Insufficient basis. The laws and regulations involved in the remediation activities are complex. In the actual operation process, there is a lack of clear legal and regulatory basis for the

early investigation, evidence collection sampling at the scene of seizure, mid-term investigation, later vehicle disposal, storage management of oil tanks, and administrative punishment. It is only based on the “mobile” law enforcement mode, passive law enforcement, and more subject to administrative orders.

(2) Unclear responsibilities. Because there are many law enforcement departments involved and the boundaries of cross responsibilities between departments are vague, the evidence collection at the scene of violation often needs the cooperation of multiple departments. However, the inter departmental investigation mechanism is not smooth, and there are various forms of illegal acts, which makes it difficult to obtain evidence and convict. For example, in the investigation and handling of the case that fuel oil is used as diesel oil in Illegal fuel points, if the party concerned fails to explain or deliberately fails to explain what kind of product it belongs to during the law enforcement sampling by the municipal supervision department, the inspection agency will be unable to issue the inspection report, and some oil products have no relevant national standards, which will hinder the law enforcement action of the supervision department.

(3) High enforcement costs. Towing, lifting and on-site disposal of container boxes, illegal refueling trucks and refueling equipment require a lot of financial support. For example, the Municipal Bureau of supervision carried out spot check on oil products, and each oil product involved more than 10 physical and chemical index tests, with a cost of nearly 4000 yuan and a very high law enforcement cost. Some Illegalrefuelling points are good at “fighting guerrillas” with law enforcement personnel and operate 24 hours a day. Due to staffing constraints, law enforcement departments are often unable to invest a lot of manpower and time in law enforcement for a long time.

(4) Weak detection technology. At present, the existing product oil testing equipment of some functional departments is not advanced enough, and the testing technology is still unable to clearly distinguish the differences between diesel, white oil and other fuel oils, causing trouble to the subsequent sampling inspection punishment of oil quality of functional departments. In addition, there are also problems in the application of testing standards. It is obvious that the standard testing of diesel oil for fuel oil is untenable in law enforcement practice.

(5) There is no basis for the disposal of the enterprise's own oil depot. The self owned oil depot of the enterprise is for self use and non business purposes, but at present, the competent department has not issued the corresponding management regulations, and the safety, environmental protection and many other issues involved in the setting of the self owned oil depot urgently need to be standardized by the relevant departments. In addition, the Municipal Bureau of supervision can only notify the source of oil products to dispose of the unqualified product oil found in the use of the enterprise's own oil depots, and cannot dispose of the enterprises involved. As a result, some enterprise's own oil depots purchase and use unqualified oil products at will.

3.5.2 As an Illegal Subject.

(1) Fight guerrilla warfare. After many times of renovation and competition, the experience of Illegal fuel points has become increasingly rich. Illegal operation has changed from fixed point to mobile point, from day to night, from open operation to point-to-point transaction. The transaction forms are changeable, and a “guerrilla war” has been fought with the regulatory authorities.

(2) Both hard and soft. Some lawbreakers try every means to win over law enforcement personnel, trust their relations, go through the back door, and even put eyes and ears in the law enforcement team; Some employ social miscellaneous personnel and intimidate law enforcement personnel.

(3) Strong anti reconnaissance awareness. Some lawbreakers hire lawyers to give advice and make great efforts to exploit loopholes in legal provisions; some destroy evidence, making it

increasingly difficult to investigate and deal with. (4) The illegal cost is low. Some Illegal fuel points have simple and extensive equipment. One waste container, one oil tank and one fuel dispenser can be operated. The illegal cost is very low. Moreover, due to the difficulties in obtaining evidence and law enforcement coordination, the law enforcement departments have less and lighter penalties for filing cases. Compared with the huge economic benefits, they are unable to do what they want^[5].

4. Working Measures for Refined Oil Renovation of Grass-Roots Government

4.1 Explore and Adopt Comprehensive Management Mode

4.1.1 Strengthen Organizational Leadership.

In terms of refined oil remediation, considering its complexity, it is appropriate for the local Party committee to improve the governance ability and governance ability of the local government, adopt the comprehensive governance model, and define the leading department. It is suggested that there are two situations: if the director of public security becomes a member of the Standing Committee, it is suggested that the Deputy Secretary of the county (city, district) and the Secretary of the political and Legal Affairs Commission take the lead, and the director of public security and other leaders in charge act as deputy leaders to form a leading group to promote the rectification work; For the public security director who concurrently serves as the deputy of the county (city, district), it is suggested that the director should directly lead and be responsible for promoting the rectification work. According to the work plan for the special rectification of the refined oil market in Y City in 2021, Y City has established a joint meeting for the special rectification of the refined oil market composed of 32 departments, towns and streets to clarify the rectification objectives and priorities, division of responsibilities, implementation measures and relevant work requirements, and coordinate the city wide refined oil rectification work, forming a clear responsibility, cooperation and cooperationEfficient operation of the rectification work pattern. A joint meeting system for special rectification has been established, and a coordination meeting for special rectification of the refined oil market has been held to study the problems and difficulties encountered in the rectification work, deploy phased work priorities, and effectively strengthen the overall planning of work, information and management, so as to ensure the smooth progress of the special rectification of the refined oil market.

4.1.2 Innovative Linkage Mechanism.

Explore and implement the working linkage mechanism of “Street (township) whistle blowing and department check-in”, give full play to the role of the town street grid, establish and rely on the “wechat working group for refined oil market regulation”, deepen the linkage and rapid disposal mechanism between departments and towns and streets, immediately send illegal clues within the working group, and the law enforcement department will follow up and deal with them in a timely manner, so as to crack down on all kinds of illegal behaviors of refined oil around the clock. At the same time, strengthen the linkage with the regulation departments of the surrounding counties and cities, share the clues of the source of the case, and jointly study and ban the fleeing Illegal fuel points. In 2021, Y city was reported by grid inspection and 110 linkage clues for 73 items, and the marketing number was placed, timely eliminating any safety hazard of the finished oil.

4.1.3 Increase Publicity.

We will make full use of mainstream media, issue reward policies for illegal clue reporting, increase the exposure of major cases of illegal operation of refined oil products, and deter potential violators with typical cases. At the same time, we should explore the establishment of a credit constraint mechanism. In the process of investigating and dealing with cases of illegal operation of refined oil products, in addition to punishing the parties, they can also be included in the “blacklist” and announced to the public through the information publicity system. All towns and streets of Y City widely publicize the refined oil remediation work in the form of tower group through Party building + combat unit group, and comprehensively publicize it from the level of landlords, employees, business owners, etc; In combination with the joint inspection action, the law enforcement departments further strengthened the publicity of the harm of low-quality oil products through centralized training, on-site visits, etc., and jointly carried out multi department collaborative joint inspection with the municipal financial media center, exposing and rectifying a batch. Unblock the reporting hotline for the special rectification action of the refined oil market, publish the department reporting hotline through the official account platform, and timely accept the complaints and reporting clues of the masses.

4.1.4 Deepen Work Assessment.

The crackdown on illegal operation of refined oil will be included in the assessment index system for comprehensive management of safety, production safety, performance assessment and administration according to law of all towns, streets and relevant departments, and the assessment proportion will be strengthened. For towns and streets where the illegal operation of refined oil products is serious and the problems are repeated, we should focus on strengthening the supervision and handling, and strictly investigate the responsibility. For the illegal acts reported in the law enforcement action, the Discipline Inspection Commission, the supervision and examination office and other departments should intervene in advance to eliminate the “ears and eyes” of the Illegal fuel points, so as to ensure the effect of law enforcement and rectification.

4.2 Explore the Construction of Product Oil Supervision System

4.2.1 Increase Direct Supply Outlets.

Coordinate with state-owned enterprises such as Sinopec and PetroChina, increase the direct supply of national standard oil, and carry out both dredging and blocking, so as to ensure the normal production and operation of logistics enterprises and provide better services for the sustainable development of enterprises. Further strengthen the construction of product oil channels, guide product oil wholesale enterprises to establish direct supply relationships with large logistics enterprises and transport fleets, actively implement the standardized management of direct supply points, ensure that the devices at direct supply points are only used to refuel the vehicles of their own units and cooperative units, and shall not be sold externally, and strengthen the quality control of oil products, So that transportation vehicles can use safe and cheap national standard oil.

4.2.2 Expand Regular Outlets.

Accelerate the promotion of refined oil construction network in the “14th five year plan”. In view of the current situation of the difficulty of centralized refueling of freight vehicles in Y City, it is actively recommended that the people's governments at the prefecture and municipal levels increase the distribution of regional gas stations. On this basis, we will explore to increase the

construction of special diesel fuel stations, build special diesel fuel filling stations on the main logistics roads, give certain financial support to the refueling of truck and other transport vehicles, and build supporting parking lots and maintenance points to alleviate the traffic pressure on the main urban roads and increase the oil supply system and supply capacity.^[6]

4.3 Establish a Supervision Mechanism with Unified Responsibilities and Rights

4.3.1 Give Grassroots Governance.

Insufficient authority is easy to make grass-roots governance fall into low efficiency Governance Dilemma such as “visible out of control”. According to the objective situation of government decision-making, explore the establishment of a scientific and perfect supervision and management of government administrative law enforcement, adhere to the principle of the consistency of responsibility, power and interest, and give grass-roots governments more say in grass-roots governance. We should speed up the formulation of the empowerment list, promote the decentralization of more social resources, management authority and people's livelihood services to the grass-roots level, empower people according to their needs, and improve the pertinence and accuracy of empowering the grass-roots level.

4.3.2 Give Humanistic Care.

We should give more humanistic care to law enforcement cadres at the grass-roots level, avoid the generalization of accountability at the grass-roots level, and even avoid the strange phenomenon of “whipping the fast ox” and “scapegoating” and “top contracting” at the lower level. We should establish a scientific fault-tolerant mechanism to encourage bold innovation and initiative at the grass-roots level. We will strictly implement the spirit of the relevant documents of the Central Committee on reducing the burden at the grass-roots level, truly combine leniency with severity, accurately hold accountable, and mobilize the enthusiasm of law enforcement cadres at the grass-roots level.

4.4 Seek More Legal Support

The measures for the administration of refined oil market promulgated by the Ministry of Commerce in 2006 has been abolished in July 2020. In April, 2020, the Ministry of commerce took the lead in drafting the opinions on promoting the high-quality development of the circulation of petroleum products (Exposure Draft), requiring the provincial competent departments of Commerce, economy, information technology and energy, together with relevant departments, to speed up the introduction of the management methods for the circulation of petroleum products in the region, and clarify the conditions and procedures for the access of the retail market of petroleum products, the business norms Supervision and management measures to ensure that there are laws to follow in the management of the refined oil market.

5. Conclusion

The State Council should issue corresponding administrative regulations as soon as possible to fill the gaps in the basis for law enforcement. For the regulations on license management related to product oil management, relevant rules should be issued to further clarify the rights and responsibilities: it is clear that the management object should not be limited to “enterprises”, but should be expanded to “citizens, legal persons and other organizations”; Further clarify and standardize the self fuel supply situation of enterprises to distinguish Illegal fuel stations; We should

improve the terms of law enforcement qualifications and procedures of law enforcement teams, explore the establishment of “comprehensive and integrated” administrative law enforcement reform, and clarify the management departments of Illegal fuel points.

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