



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

November 27, 2006

American Watch Company
ATTN: Mike McGee
1225 South Grand Avenue
Los Angeles, CA 90015

SUBJECT: SUMMARY OF TELEPHONE CONVERSATION

Dear Mr. McGee:

This letter is to summarize the telephone conversations on October 30, and November 2, 2006, between yourself and Linda Gersey, of my staff. You stated that you were in the process of having tritium filled watches manufactured by mb-microtec ag (Switzerland), and would be distributing these watches under the mb-microtec USA NRC exempt distribution license. Ms. Gersey contacted mb-microtec ag and found that the gaseous tritium light sources involved in the manufacturing of your watches do originate from mb-microtec ag, but the manufacturing is conducted by a separate company in Switzerland. Also, these watches are not authorized under the mb-microtec USA exempt distribution license.

The NRC regulates the initial distribution of gaseous tritium light sources in watches under 10 CFR 32.14, and requires that, in part, persons that manufacture or initially transfer these devices containing byproduct material apply for and obtain a specific license. This requirement allows the NRC to ensure that only those devices which have been reviewed and approved as safe are distributed within our jurisdiction. This means that the first company to offer for sale tritium watches in the U.S. must have a specific distribution license from the NRC to do so. This specific distribution license is also called an exempt distribution license because all sales "down the line" from the initial distributor are exempt from having to have a specific license. For example, if you purchased tritium watches that are authorized on the mb-microtec USA exempt distribution license, and the watches came into the country first to the North Tanawanda, NY office, you would be exempt from having an NRC license and could distribute to other individuals or companies. After companies purchase through you directly, those companies could turn around and sell the watches but not need a specific license.

Thus, the watches you are purchasing through mb-microtec ag are not authorized under any NRC exempt distribution license, and therefore cannot currently be sold in the United States.

To obtain an exempt distribution license for these watches, please contact Jonathan Rivera, of our headquarter office, at (301) 415-5810. You can also learn more about exempt distribution licenses on the NRC website at the following link:

<http://www.nrc.gov/materials/miau/product-manufac.html#exempt>

If you have any further questions, please contact me at (817) 860-8287, or Linda Gersey at (817) 860-8299.

Sincerely,

/RA/

Vivian H. Campbell, Chief
Nuclear Material Inspection Branch

SUNSI Review Completed: _____ ADAMS: **Yes** No Initials: LMG
 Publicly Available Non-Publicly Available Sensitive **Non-Sensitive**
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RIV:DNMS	C:DNMS			
LMGersey	VHCampbell			
<i>/RA/</i>	<i>/RA/</i>			
11/16/2006	11/27/2006			

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax