Amortization expense for other intangible assets was $6.2 million in 2008, $5.7 million in 2007, and $4.8 million in 2006. Estimated amortization expense for each of the five succeeding fiscal years based on the intangible assets at December 31, 2008, is as follows (in thousands):

2009	$ 6,710
2010	3,057
2011	2,035
2012	1,283
2013	1,110
Thereafter	705
Total	**$ 14,900**

NOTE 5: FAIR VALUE MEASUREMENT

We adopted SFAS 157 as discussed in Note 2, as of January 1, 2008. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

The following table presents information as of December 31, 2008, about our financial assets that are measured at fair value on a recurring basis, according to the valuation techniques we used to determine their fair values.

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Total Fair Value
Cash and cash equivalents	$ 494,743	$ —	$ 494,743
Debt securities- Available-for-sale:			
State and municipal obligations	—	2,644	2,644
Total assets at fair value	**$ 494,743**	**$ 2,644**	**$ 497,387**

The carrying value of cash and cash equivalents approximates fair value as maturities are three months or less. The estimated fair values of debt securities held as available-for-sale are based on quoted market prices and/or other market data for the same or comparable instruments and the transactions in establishing the prices.

NOTE 6: LINES OF CREDIT

We have 3.5 million Euros available under a line of credit at an interest rate of 6.65 percent (Euribor plus 45 basis points) at December 31, 2008. This discretionary line of credit has no expiration date. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2008.

NOTE 7: INCOME TAXES

C.H. Robinson Worldwide, Inc. and its 80 percent (or more) owned U.S. subsidiaries file a consolidated federal income tax return. We file unitary or separate state returns based on state filing requirements. With few exceptions, we are no longer subject to audits of U.S. federal, state and local, or non-U.S. income tax returns before 2005.

We adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, on January 1, 2007. As a result of the implementation of Interpretation 48, we recognized a $2.6 million decrease in the liability for unrecognized tax benefits, which was accounted for as an increase to the January 1, 2007 balance of retained earnings. A reconciliation of the beginning and ending amount of unrecognized tax benefits, net of interest and penalties, is as follows (in thousands):

	2008	2007
Unrecognized tax benefits, beginning of the period	**$ 7,622**	$ 5,603
Additions based on tax positions related to the current year	**1,635**	1,942
Additions for tax positions of prior years	**15**	592
Reductions for tax positions of prior years	**(1,512)**	(515)
Settlements	**(546)**	—
Unrecognized tax benefits, end of the period	**$ 7,214**	$ 7,622

As of December 31, 2008, we had $9.9 million of unrecognized tax benefits, all of which would affect our effective tax rate if recognized. We are not aware of any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefit will significantly increase or decrease in the next twelve months.

We recognize interest and penalties related to uncertain tax positions in the provision for income taxes. During the years ended December 31, 2008, 2007, and 2006, we recognized approximately $0.7 million, $1.0 million, and $0.6 million in interest and penalties. We had approximately $2.7 million and $2.6 million for the payment of interest and penalties accrued within noncurrent taxes payable as of December 31, 2008 and 2007. These amounts are not included in the reconciliation above.

The components of the provision for income taxes consist of the following for the years ended December 31 (in thousands):

	2008	2007	2006
Tax provision:			
Federal	**$ 179,376**	$ 161,476	$ 142,142
State	**24,395**	25,806	24,238
Foreign	**12,825**	10,663	6,135
	216,596	197,945	172,515
Deferred provision (benefit)	**2,614**	1,308	(9,752)
Total provision	**$ 219,210**	$ 199,253	$ 162,763

A reconciliation of the provision for income taxes using the statutory federal income tax rate to our effective income tax rate for the years ended December 31 is as follows:

	2008	2007	2006
Federal statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal benefit	**2.8**	3.3	3.6
Stock-based compensation	**(0.1)**	0.1	0.2
Other	**0.2**	(0.3)	(0.9)
	37.9%	38.1%	37.9%

Deferred tax assets (liabilities) are comprised of the following at December 31 (in thousands):

	2008	2007
Deferred tax assets:		
Compensation	**$ 54,029**	$ 48,907
Receivables	**9,999**	10,290
Other	**2,946**	3,858
Deferred tax liabilities:		
Intangible assets	**(34,462)**	(29,558)
Prepaid assets	**(6,255)**	(6,534)
Long-lived assets	**(3,517)**	(2,514)
Other	**(2,494)**	(1,252)
Net deferred tax assets	**$ 20,246**	$ 23,197

Income tax expense considers amounts which may be needed to cover exposures for open tax years. We do not expect any material impact related to open tax years; however, actual settlements may differ from amounts accrued.

NOTE 8: CAPITAL STOCK AND STOCK AWARD PLANS

PREFERRED STOCK. Our Certificate of Incorporation authorizes the issuance of 20,000,000 shares of Preferred Stock, par value $.10 per share. There are no shares of Preferred Stock outstanding. The Preferred Stock may be issued by resolution of our Board of Directors at any time without any action of the stockholders. The Board of Directors may issue the Preferred Stock in one or more series and fix the designation and relative powers. These include voting powers, preferences, rights, qualifications, limitations, and restrictions of each series. The issuance of any such series may have an adverse effect on the rights of holders of Common Stock and may impede the completion of a merger, tender offer, or other takeover attempt.

COMMON STOCK. Our Certificate of Incorporation authorizes 480,000,000 shares of Common Stock, par value $.10 per share. Subject to the rights of Preferred Stock, which may from time to time be outstanding, holders of Common Stock are entitled to receive dividends out of funds legally available, when and if declared by the Board of Directors, and to receive their share of the net assets of the company legally available for distribution upon liquidation or dissolution.

For each share of Common Stock held, stockholders are entitled to one vote on each matter to be voted on by the stockholders, including the election of directors. Holders of Common Stock are not entitled to cumulative voting; the holders of more than 50 percent of the outstanding Common Stock can elect all of any class of directors if they choose to do so. The stockholders do not have preemptive rights. All outstanding shares of Common Stock are fully paid and nonassessable.

STOCK AWARD PLANS. Effective January 1, 2006, we adopted SFAS 123R, *Share-Based Payment*. Under SFAS 123R, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. We had previously adopted the fair value recognition provisions of SFAS 123 in January 2004, using the retroactive restatement method. Total compensation expense recognized in our statements of operations for stock-based compensation awards was $20.8 million in 2008, $38.0 million in 2007, and $47.3 million in 2006.

Our 1997 Omnibus Stock Plan allows us to grant certain stock awards, including stock options at fair market value and restricted shares and units, to our key employees and outside directors. A maximum of 28,000,000 shares can be granted under this plan; 8,676,000 shares were available for stock awards as of December 31, 2008, which cover stock options and restricted stock awards. Awards that expire or are cancelled without delivery of shares generally become available for issuance under the plans.

The contractual lives of all options as originally granted are ten years. Options vest over a five-year period from the date of grant, with none vesting the first year and one quarter vesting each year after that. Recipients are able to exercise options using a stock swap which results in a new, fully-vested restoration option with a grant price established based on the date of the swap and a remaining contractual life equal to the remaining life of the original option. Options issued to non-employee directors vest immediately. The fair value per option is established using the Black-Scholes option pricing model, with the resulting expense being recorded over the vesting period of the award. Other than restoration options, we have not issued any new stock options since 2003. As of December 31, 2008, there was no unrecognized compensation expense related to stock options since all outstanding options were fully vested.