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Trans Gulf Transportation eyes growth after merger

Premium content from Houston Business Journal - by Barrett Goldsmith, Reporter

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After becoming part of one of the nation's fastest-growing logistics companies, Trans Gulf Transportation has put the finishing touches on its La Porte container terminal facility and is poised for growth within a new corporate structure.

Trans Gulf's parent, Memphis, Tenn.-based

http://www.bizjournals.com/profiles/company/us/tn/memphis/dunavant_enterprises_inc/3229424/, is set to combine Trans Gulf with another recent acquisition, Charlotte, N.C.-based Sea Lane Express LLC, and Dunavant's own global logistics division into Dunavant Logistics Group, headquartered in La Porte. Sea Lane operates six terminals on the East Coast. The Trans Gulf brand will remain intact.

Heading the new group is **Billy Keys**, the current president of Trans Gulf, who will also retain that title. **Bill Dunavant III**, the CEO and president of Dunavant Enterprises, said Trans Gulf's operations and Key's leadership were equally attractive in the company's search for the right person to lead the combined business group.

"We're trying to model everything we bought on the East Coast after what Billy has done in Houston," Dunavant said. "We also look at Houston as one of the most well-run ports in America. And we clearly, in our due diligence of intermodal companies, focused on the importance of the expansion of Panama Canal and what that means to the future.

The Trans Gulf site along Independence Parkway just south of the Battleship Texas State Historical Site, sits on a 37-acre tract Trans Gulf purchased in 2007, of which about 10 acres are under use.

Initial construction on the terminal — capable of storing up to 2,000 containers at any one time — was completed in February 2010. Trans Gulf, now under Dunavant's wing since the acquisition closed in December, opened a new 28-bay cross-dock facility this month for loading and unloading containerized cargo.

The Trans Gulf complex has 26 full-time employees but contracts with about 150 owner-operator truck drivers. Part of what attracted Dunavant to Trans Gulf was its system of communicating with both its drivers and its customers.

"The intermodal business has always been a fragmented business," Key said. "With systems with our drivers we give our customers real-time delivery online, and that is what Dunavant is going to replicate across the country."

Dunavant wasn't always a logistics company. It began in 1960 as a cotton trader — its founder, **William Dunavant**, had actually been trading cotton since 1928 — and by 2010 had emerged as a global player with more than \$1.7 billion in annual revenue. But in April 2010, the company sold its cotton business to another Memphis trader and later

announced that it would go full time into the logistics, or transportation, business. Dunavant already had an internal logistics business that it used to move some 6 million bales of cotton per year around the world.

"Our business was 90 percent cotton and 10 percent logistics, and now we've turned it around," Dunavant III said. "So it's not really much of a shift. We're in a growth mode and Trans Gulf is in a growth mode. You can expect to hear more from us in Houston."

Dunavant Enterprises INC.

HQ: Memphis

Top Exec: William Dunavant III

InDUstry: Logistics

Trans Gulf Transportation INC.

HQ: La Porte

Top Exec: Billy Keys, president

Industry: Intermodal terminal operator

Dunavant Logistics Group

HQ: La Porte

Top EXEC: Billy Keys

Industry: Logistics

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