

## US journalism institute, entrepreneurs in news venture

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A man surfs the web at an internet cafe. A US journalism institute and four entrepreneurs announced Wednesday they have joined forces in a Silicon Valley-based venture called CircLabs aimed at financing online news.

A US journalism institute and four entrepreneurs announced Wednesday they have joined forces in a Silicon Valley-based venture called CircLabs aimed at financing online news.

"CircLabs has planned a suite of services, this first of which is code-named Circulate," co-founder Jeffrey Vander Clute said in a statement.

"Circulate will address the challenges of how to increase traffic to media-affiliated websites, secure relationships with online users and enhance

the value of news," said the social-networking and database engineer.

Circulate will "create a bridge between consumers and publishers of news and information," he said. "Software development on Circulate is underway, and we anticipate launching the service during the second half of this year."

Other partners in the venture include The Donald W. Reynolds Journalism Institute, newspaper publisher Martin Langeveld, Joe Bergeron, a Web product-development expert, and Bill Densmore, a former reporter.

Vander Clute said CircLabs is talking to a variety of potential strategic partners but he did not identify them.

The launch of CircLabs comes as US newspapers struggle with a steady decline in [print advertising](#) revenue, falling circulation and the migration of readers to free news online.

The CircLabs partners said their service would address the need to attract a "strong and loyal online readership" and the need to monetize that audience through the sale of premium content and through advertising.

"Circulate will serve all publishers of online news, ranging from newspapers to local news blogs," said Langeveld.

Vander Clute said Circulate will offer a solution for news organizations planning to experiment with payment systems for content, including both micropayments and subscriptions.

"We believe that newspapers should explore charging for online content when that content is both scarce in nature and of high utility to a segment

of the audience," he said.

"At the same time, we believe that revenue from advertising and other forms of commercial interactions will continue to be a critical means of financing news in the online ecosystem.

"Circulate will incorporate ways of generating high-value [advertising revenue](#) for participating news organizations," he said.

Media analysts have been engaged in a fierce debate over whether readers will be willing to pay for news online after becoming accustomed for so many years to getting what they want for free.

Last month, three veteran US media executives launched a company designed to help ailing US newspapers and other publications make money on the Internet by charging readers for news.

Journalism Online is led by Steven Brill, the founder of Court TV; Gordon Crovitz, a former publisher of The Wall Street [Journal](#); and Leo Hindery, a former chief executive of AT&T Broadband.

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