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TAPPER: Good morning, and welcome to "Newsmakers Live." We're live here with ABC News and Yahoo News. I'm joined of course by ABC News' Diane Sawyer and from Yahoo, Olivier Knox. And we have as our special guests today the campaign manager for President Obama's campaign, Jim Messina; the deputy campaign manager, Stephanie Cutter; and the press secretary, Ben LaBolt.

So without further ado, I will now introduce my boss, Diane Sawyer.

(LAUGHTER)

SAWYER: And if anyone believes that...

(LAUGHTER)

... you need to check your sources here.

Well, it's great, first of all, to be here with the team, the great alliance of ABC and Yahoo. We are -- our year together has been a wonderful thing for all of us. And it's truly great to be here with all of you. We know what it means on your marathon schedule for you to be here.

I'm just going to start with questions coming in right now and the questions that have been coming overnight on Yahoo, because there's one from Bruce, which is one of the ones that we heard most often, which says, "If the president gets a second chance to serve the American people how will he convince voters that his second term will be better than his first?"

Jim?

MESSINA: Well, the president's building an economy built to last from the middle class out. It involves investment in infrastructure, education, to grow the kind of economy we all need, and that's the choice in this election. It's the choice that we're going to be laying out in this convention and for the next 63 days, until the election.

SAWYER: But let me ask you about something that seems to be a moving target of a question in the last few days. It was a year ago the president said to George Stephanopoulos, when asked about are you better off than four years ago, "Well, I don't think they're better off than they were four years ago."

And yet over the weekend we have seen the question shifting a bit and the vice president said the country is better off than it was four years ago. What's the distinction?

CUTTER: Well, I think that the country is better off. The president -- the vice president said it best yesterday, you know, GM is alive and bin Laden is dead.

And, you know, we've made some real progress since the day the president took office. Let's remember what life was like back then. We were losing 800,000 jobs a month. In the six months before he took office, 3.5 million jobs were lost. The housing crisis was, you know, impacting middle class families all over the country. The auto industry was on the verge of bankruptcy. Taxpayers were bailing out banks.

And let's take a look at where we are today. Our financial system is the most stable in the world, and we've put protections in place to ensure that taxpayers never have to bail out banks again. We rescued the auto industry. GM is number one, as the vice president said yesterday. The housing industry has stabilized. It is on an upward trend.

Middle class families, \$3,600 worth of tax cuts, their taxes are \$3,600 less today than they were when the president took office. Small businesses have 18 different tax cuts that they're using to build small businesses, but also starting new ones.

So we've made significant progress. But the point is this: that the president has always said that returning to where we were at the start of the recession isn't good enough, because life wasn't great for middle class families back then. There has been decades worth of erosion for middle class families. So we have to do better than that.

Which is why the president is doing the things that he's doing:

Fighting to, you know, to ensure that we can continue investing in education, which is the single most important ticket to a better future and a strong middle class, which is critical for our economy.

We've, you know, passed historic health care reform, so that your economic security doesn't depend on your health security. We're investing in innovation so that, you know, the next great invention is an American invention.

All of these things are important building blocks that we need to put in place to build an economy that's strong over the long term. You know, Jim mentioned an economy built to last. These are things that the president's putting in place.

We know what to do if we don't want the economy to last, right? Risky financial deals. Outsourcing. Tax loopholes that only those at the top can take advantage of. That creates an economy built on a mountain of sand, basically.

So the president has turned that around. We're, you know, we're moving forward. There's more that we need to do. And I think what you'll hear this week are some of those concrete, tangible things that we need to do forward.

SAWYER: So the president on Thursday night will be saying the country is better off than it was four years ago. Will he be answering the, "Are you better off?" and is there a distinction?

CUTTER: I think that -- I don't want to get ahead of what the president is going to say specifically in his speech, but I think that over the course of this week you'll hear from different speakers and videos and other ways that will illustrate what the country has been through over the past four years and some of the moments of some tough decisions that we've made, often unpopular decisions, to do what's right for the country.

But you'll hear the president say we've made progress, absolutely we've made progress. We are better off than we were four years ago. But that is not good enough. We are not done yet.

SAWYER: Olivier?

KNOX: Well, building on that, there's a monthly jobs report that's coming out on Friday. When the president takes the stage on Thursday how much will he know about what's in that jobs report, if anything? And are you worried that a middling or a disappointing jobs report could undermine the message of the entire convention?

LABOLT: I think what Americans are focused on is that overall trend that they've seen. Over the past decade middle class -- wages for middle class families have slipped. And so the question they're asking is, How do we restore economic security for the middle class?

Stephanie focused on a lot of the progress that's been made, and I think there's no doubt, if you're an auto worker, when the auto industry was on the brink three years ago, a million jobs were on the line up and down the supply chain, you are better off today. If you were somebody who had a preexisting condition and was changing jobs into a new field, your health insurance was at risk, you are better off today.

But the question they want to hear is, How do we ensure that America wins a race to the top, where we're creating good-paying, sustainable jobs for the middle class and restoring economic security for the middle class?

And so I think the focus will be on those pillars of an economy built to last: energy, manufacturing, education. That's how we're going to restore economic security for the middle class, with investments in those areas, instead of cutting back, like Governor Romney and Congressman Ryan would like to do, as countries around the world are racing to invest in them.

So I think they'll look collectively at the past four years. And they'll also ask, Where are we going to go from here? And that's what they didn't hear from the Republicans in Tampa last week. Instead they heard many of the same recycled, widely debunked attacks against the president instead of a plan for how we restore economic security for the middle class.

KNOX: So you don't think they're going to look at Friday's numbers as shorthand for everything that you've just said, as a message about the trend, about where the economy's going?

LABOLT: I think they're going to look at the past four years, the fact that the economy was in a freefall when the president came into office, that we'd lost more than 3 million jobs in the final six months of the prior administration. They'll look at the progress that's been made and they'll ask, Who's got the better plan to restore economic security for the middle class?

Governor Romney has proposed \$5 trillion tax cuts for the wealthiest. We've passed similar tax cuts for the wealthiest in the past. We were told it'd unleash job creation and it didn't. It led to the slowest pace of job creation since World War II.

And so we can't go back to the same policies that caused the economic crisis in the first place.

CUTTER: And that's what this is really about. As Ben said, we are on a path forward, we've turned the economy around (inaudible) middle class Americans would like? Absolutely not. And it's not fast enough for the president. But we know what we need to do.

And elections are about choices. So we can either continue moving forward, putting these building blocks in place, strengthening our country and building an economy from the middle out, with a strong middle class at a core, or we can go back to the very same policies that crashed our economy.

Because those are the policies that Mitt Romney's put on the table. He's going to repeal Wall Street reform. So that means we're all on the hook again to bail out the banks. He's going to repeal health care reform. That means our insurance companies can once again drop us when we get sick. He's going to give a tax cut to millionaires and billionaires, but he's going to make us pay for it.

So these are the exact same policies that crashed our economy in the first place, and why would anybody want to go back there?

TAPPER: Can I just follow up quickly on Olivier's question? You, Jim, before you were campaign manager you were deputy chief of staff at the White House. Does the president get the jobs report the Thursday night before it's released?

MESSINA: I honestly don't know. When he asked the question, I'm like, "Ooh, don't ask me, I don't know."

(LAUGHTER)

TAPPER: OK.

Stephanie?

CUTTER: I don't know either.

TAPPER: You don't know either. OK.

One point that you guys are trying to make -- and the president makes it again on the cover of today's USA Today, "Obama: Rivals Bend the Truth" -- is you are definitely very aggressively accusing Mr. Romney and Mr. Ryan of lying, of telling lies.

When you make charges like that, do you not think that this then puts -- it's incumbent upon you and your campaign to make sure that every claim you make is truthful? Do you not undermine your own cause when, for instance, the vice president goes out and says Bain took a taxpayer-financed bailout when that's not true or when President Obama goes out and says that Mitt Romney supports indefinite war in Afghanistan? Which is not true. Romney has endorsed the timetable from NATO.

Do you not undermine your own charge when you -- when your campaign is not truthful?

LABOLT: Well, let me -- let me first address some of those individual claims. And I will say we work very hard to get it right. We look at the facts, we vet what we say, we really do try hard to get it right.

TAPPER: Do what fact checkers say has an impact on you?

LABOLT: And we can walk through those individual claims...

CUTTER: Absolutely.

LABOLT: ... or any that you bring up.

The fact is that, while Mitt Romney, when a million jobs were on the line in the auto industry, Mitt Romney said that we should let Detroit go bankrupt, but when it came to a challenge for the firm of himself and his partners he went to the federal government, to the FDIC, to get a bailout.

So I think we try very hard...

TAPPER: But that's not taxpayer funds, the FDIC.

CUTTER: Well, it's taxpayer guaranteed.

TAPPER: But that's not what the vice president said.

CUTTER: Well, I mean, Jake, I understands (sic) the conversation that we're having about whether campaigns sometimes bend the truth. And we try very hard to get it right.

As opposed to the Romney campaign, who've said they're not going to run their campaign based on fact checks, which means facts don't matter to them. We do care about fact checks. We do care about the honesty of our ads.

I just want to -- you know, on your own network this morning, Paul Ryan was at it again. And it wasn't our headlines last Thursday morning. It was the news media headlines about all of the lies in Paul Ryan's speech.

So I think we do have to acknowledge that there's a difference between running a campaign and prosecuting a case against your opponent and flat-out lying. You know, once again this morning, Paul Ryan said that the president was responsible for the closing of the Janesville plant, a G.M. plant that closed. The announcement was made in December of 2008, but production stopped -- do I have that right? -- before the president took the oath of office.

LABOLT: That's correct.

CUTTER: So, I mean, give us a break.

LABOLT: They've actually put Congressman Ryan in the position of attacking \$716 billion in Medicare savings that he preserved in his own budget.

CUTTER: And this is the man that was chosen because he was the intellectual leader of the Republican Party.

TAPPER: I don't want to get into the us having to fact-check Paul Ryan. I'm just wondering as a larger proposition, when your campaign says things that aren't true, such as the two examples I cited about the vice president and the president, doesn't that undermine the outrage factor of things that the other side says that are not true?

LABOLT: I think we -- we'd generally dispute -- dispute this. Look, there was -- there was a situation earlier this year where The Washington Post in a well-reported story, reported that Mitt Romney invested in companies that actually pioneered outsourcing. They ran that story and then the fact-checker at the paper wrote a fact check debunking their own reporting, and then he walked the fact-check back.

So there are some times when there are different sets of facts out there. The campaign highlights a set of facts. You may find a different set of facts and make that point. But I think all of the examples you've brought up -- the FDIC bailout -- we presented the facts. We made our case. We -- we did everything we can that they're accurate claims. But the entire premise of the Republican convention last week was based on a set of lies and they were a replacement for Governor Romney talking at all about his policies.

You didn't hear about those \$5 trillion tax cuts for the wealthiest. You didn't hear about his budget proposal and the fact that if we pass it it will be harder for students to get a loan. It would turn Medicare into a voucher program and cost seniors thousands of dollars out of pocket.

Instead, you heard the president's remarks ripped out of Congress -- out of context. You heard Congressman Ryan attack Medicare savings in his own budget and blame the president for the closure of a G.M. plant that was slated for closure before the president took office. That was the entire premise of their three-day convention.

SAWYER: We're going to return to all of these issues. And please, everybody, tweet us. We're going to have them brought right out to us as soon as they arrive. We want to know what you're thinking right now. But just before we come back to these issues, a couple of mechanical things: 75,000-seat stadium Thursday night. Have you filled it? Do you know you've already filled it?

MESSINA: Look, we're really excited about it. We think it's a huge opportunity to do something the Republicans didn't do. They had a convention last week that was literally about a conversation with their delegates. We're going to have a convention that's a conversation with America. And a big piece of that is involving 75,000 people on Thursday.

We have this innovative program in North Carolina called the 9-3-1 campaign. Volunteers gave us nine volunteer hours on three shifts and they got one ticket. So we had over 6,000 people complete the nine hours, which bolstered our grassroots operation across North Carolina and Virginia, and is one of the many things we're really excited about in the next four days.

We think innovations in the way we use technology, in the way we use grassroots to become really a national convention and we're really excited about it.

SAWYER: No question, every seat will be filled?

MESSINA: Look, we are incredibly excited about the opportunity. We think we're going to have a great convention and we think there are going to be a bunch of people at that convention.

CUTTER: Just an anecdote -- sorry, Diane, I didn't mean to interrupt -- but just as an anecdote, when we -- when we a week-and-a-half ago announced the tickets were available, tens of thousands of people came out in North Carolina to get those tickets and they were gone within hours. And then across the country, every state had an allocation and they -- they ran out.

So -- so I think that there is a lot of excitement and enthusiasm for Thursday night and I don't think we'll have a hard time filling it.

SAWYER: OK. And another question I got, at least night in the elevator late from whoever was in the elevator late riding around...

(LAUGHTER)

... is has an advisory gone out about taking furniture onto the stage with any of the speakers? We know that Mayor Julian Castro said there will not be a chair.

CUTTER: There won't be a chair.

SAWYER: There will not be a chair.

CUTTER: No. No gimmicks.

SAWYER: So did the -- did the president authorize specifically the tweet that went out right away -- the one that showed the back of the chair and said "this chair is taken"?

CUTTER: This chair is taken.

(CROSSTALK)

MESSINA: No, look, if he authorizes -- no, if he authorizes a tweet, it says "B.O." on it, and then if it's not -- it's not signed "B.O.," then it's us -- it's the campaign. So, look, we were trying to have a little fun here and, you know, politics has to be fun, too. It can't always be serious. And, you know, we use social media to be fun, as you do.

(UNKNOWN): So which one of you was it?

CUTTER: None of us.

LABOLT: None of us.

MESSINA: Yeah, none of us.

(LAUGHTER)

LABOLT: We're not that creative.

CUTTER: We aren't the funny people.

MESSINA: Right. Exactly.

(LAUGHTER)

KNOX: Not to drag this from empty chairs into tax policy, but you've been hitting Mitt Romney a lot on his -- on his tax proposals. And one of the questions I get a fair amount is, you know, the president a couple years back said that, in general, you don't want to raise taxes in a recession. He's proposing a tax increase on income above \$250,000.

We're not in a recession, but what's the difference between not wanting to raise taxes in a recession and not wanting to raise them when growth is iffy? What's the difference there?

LABOLT: Well, I think that the -- the premise of the president's policy and the difference between Mitt Romney's policy and the president's policy is he wants to make sure that taxes don't go up on middle-class families. And if you make \$250,000 or less a year, he wants to make sure that your taxes don't go up.

Now, Mitt Romney has made a series of promises, and let's take a look at the map: \$5 trillion tax cuts for the wealthiest. So he would either explode the deficit or, according to an independent report by the Tax Policy Center says that he'd raise taxes on the average middle-class family by \$2,000. So, you know, middle-class families have gotten a \$3,600 tax cut under this president and he's called for Congress to take immediate action to make sure that their taxes don't go up by \$2,200 by the beginning of the year. But we're talking about 98 percent of Americans here, and 97 percent of small businesses.

And we're talking about a return to Clinton-era tax levels. That's certainly not a radical policy. If you take a look at the difference between the Clinton era and the Bush era, the Clinton era did unleash growth and job creation. When we passed those tax cuts for the wealthiest in 2001 and 2003, it didn't lead to the job creation that we were promised.

And so this is part of the balanced approach to both reduce the deficit and spur job creation that's necessary at this time.

KNOX: So that's -- so, then, that's the answer, really, that you're -- I mean, I understand the political usefulness of this at a time when you guys are -- are (inaudible) that champions the middle class. I get that.

LABOLT: The goal is to reduce the deficit and to spur job creation. Every bipartisan debt commission that's taken a look at this has said that you need a combination of spending cuts and revenue to be able to achieve the goal of balanced debt reduction. This is an area where Romney and Ryan have refused to ask the wealthiest for a dime in order to reduce the deficit, and the president believes that we need to take a balanced approach. I think that every bipartisan debt commission out there agrees with that approach.

CUTTER: Yes, I mean, it's all about making some tough choices. If you want to reduce the deficit you have to make some tough choices. The president is willing to do that. He has a deficit reduction plan on the table that makes a lot of those tough choices: cuts spending where we don't need it, reforms to Medicare and Medicaid; and asking the wealthy to pay their fair share.

And the top 2 percent, you know, arguably are doing OK. And the idea of everybody in this country doing their fair share is a very powerful one that most Americans agree with.

So that's what this is about: If we want to move our country forward if we want to pay down our deficit and unleash long-term growth, then we've got to make some tough choices. And I'd much rather use that money to invest in education than give the top 2 percent another tax cut that they didn't need and they didn't ask for.

KNOX: If my colleagues don't mind, I have a follow-up from Jane -- via Yahoo News! -- and I'm -- I'm reading here. "With a lot of Obama campaign ads directed at bringing negative attention to Mr. Romney, does the campaign foresee a time in the near future when it will address more fiscal issues in these ads?"

Interesting, because it looks like the national debt clock is going to tick to \$16 trillion probably during this convention. Do you expect to take a -- an expanded view at -- at -- at the argument over the debt and the deficit or do you feel like you're doing that now as you just (inaudible)

LABOLT: That's one of the things that we've -- we've talked about in the context of an economy built to last and certainly something that the president talks about.

The -- the debt clock at the Republican convention was appropriately placed next to a sign that said "We Built This," because the fact is that...

(LAUGHTER)

... Congressman Ryan voted for the major drivers of the deficit during the Bush administration: those tax cuts for the wealthiest, the Medicare prescription plan that wasn't funded, and two unfunded wars.

And when the president went to Congress with a \$4 trillion balanced deficit reduction plan the New York Times reported a couple of weeks ago that Congressman Ryan actually advised Republican

leadership not to negotiate with the president in order to achieve deficit reduction because he thought it'd help the president's reelection. So he put politics before country on that matter.

The president knows that we need to take a balanced approach, that we need to reduce our deficit and -- and he's -- he's been working for action on this over the course of the past few years.

TAPPER: Are you sure that wasn't Photoshopped, that "We Built This"...

(LAUGHTER)

... \$16 trillion debt? I'm not -- I'm not 100 percent certain it wasn't Photo -- anyway, moving on.

Ann Romney gave, by all accounts, a successful speech at the Republican convention, creating some warmth for her husband. I'm wondering what you think the job is tonight for Michelle Obama. What -- what is her task this evening?

And then playing off that, what do you want from Bill Clinton? Who is he going to be speaking to? And what will his message do?

MESSINA: Look, let's talk about President Clinton first and then I'll let Stephanie talk about the first lady.

President Clinton has an economic record second to none. He's gonna talk about the true choice in this election between, you know, what he did and what the president wants to do, investment in the things we talked about: education, innovation, infrastructure, all to grow an economy built to last. He's a very credible messenger on this. He's gonna give a very compelling speech.

As you know, we have a television ad featuring President Clinton in all the battleground states right now talking about his support for the president's plan and what's that gonna do to help our

country move forward. And we feel very good about President Clinton's speech tomorrow night. It's a big moment for us.

TAPPER: Do you think he'll address the welfare reform ad given that it was his bill in 1996?

MESSINA: Well, I'll let President Clinton give his own speech, but...

TAPPER: Do you want him to?

MESSINA: But he's done it. I mean, you know, he's come out several times and said, A, it's not true, and, B, set the record straight. So I think he's done that repeatedly.

TAPPER: Do you agree with those pundits who say that there is race-baiting afoot in that ad, in the welfare reform ad, that it's not just an issue ad that they're -- Republicans are trying to do something more nefarious?

MESSINA: Look, that's a question for the Romney campaign. What I think is that ad's completely not credible. And every independent analyst who's looked at that ad and looked at the issue understands that it was Republican governors asking for waivers so they could do more -- put more people to work, 20 percent more people to work. And it's just fundamentally not credible, the entire welfare attack.

TAPPER: Stephanie, what's the first lady's task this evening? What do you want her to accomplish?

CUTTER: Well, certainly, everybody knows the first lady four years after her first introduction to the country in Denver, and everybody knows the president.

But I think that what the first lady can do better than anybody else is give a lens into the values that drive the president. And his commitment to the middle class comes from a very personal place because he's lived that, he's -- he's lived the struggles of middle-class families.

And then, finally, why he has made the choices that he's made over the past four years -- you know, health care reform. You know, very politically unpopular, tough thing to get done. We've been trying for 70 years to get it done.

But, personally, you know, he had a health care story. His mother struggled with health care in her final days. And it's that -- you know, that memory that drove him to get health care done so that everybody would know that health care would be there when you needed it most.

Why did he pass -- the first bill that he signed into law was Lilly Ledbetter. And why did he do that? Because he saw his grandmother working at a local community bank get passed over for promotion after a promotion from, you know, her fellow male co-workers for doing the same work she did.

So, you know, these choices come from a place of personal experience, and he wakes up every day, you know, fighting to improve the middle class, and she can speak very personally about sort of that -- that motivation and values and all of the things that drive him to do what he does.

I mean, she's a first-person testament to what the president has done over the last four years to show some pretty strong leadership in trying times.

SAWYER: And who will be introducing the president on Thursday night? Will she be there?

CUTTER: She will definitely be there. Have we...

MESSINA: You'll just have to watch.

CUTTER: Yeah.

(LAUGHTER)

Not Clint Eastwood.

(LAUGHTER)

SAWYER: A question. This comes from Jacqueline (ph) -- hope I'm pronouncing it right -- via Facebook. And she writes she earned both a bachelor's and a master's with honors, has seven internships and is currently living with her parents and applying for a job that she could've gotten without her more than \$100,000 in student loan debt.

And she said, "I hear a lot about helping students afford college, but what about recent graduates who can't get anything better than a part-time job?"

And I want to go specifically, out of respect to -- to the opposition -- how resonant did you think Paul Ryan -- Congressman Ryan's sentence was in his speech, "College graduates should not have to live out their 20s in their childhood bedrooms staring up at the fading Obama posters"?

LABOLT: Well, what -- what is Congressman Ryan going to do about it? His \$5 trillion tax cuts for the wealthiest and budget plan certainly wouldn't help those graduates. We want to make sure we're making the investments we need to create the jobs of the future right here in the United States.

And so while Mitt Romney and -- and Paul Ryan may join a global race to the bottom where we pursue cheap labor costs wherever we can find them and outsourcing and risky financial deals that put our entire economy at risk, while cutting back in investments in things like education and research and development and infrastructure and manufacturing, we've been making investments in areas that will create the jobs of the future right here in the United States.

Take a look at renewable energy. We've doubled renewable energy production under this administration. All we've heard in the campaign trail from Mitt Romney and Paul Ryan are about how they'd cut funding in that area and cede the market and the jobs that come with it to China and India.

When the president granted rescue loans to the auto industry, he attached it to a restructuring plan that is allowing Detroit to produce the cars of the future right here in the United States, and you see manufacturing reborn, 500,000 manufacturing jobs created in the past few years after years of decline since 1997.

So how are we going to win that race to the top is the real question here, so that we can create those good-paying, sustainable jobs for the middle class, including recent graduates. And we believe that inure -- that requires both investment and it requires balanced deficit reduction, and those are the pillars of the economy built to last that this convention will focus on.

CUTTER: You know, I think that the Republican convention was very tactical, and you can read it in Mitt Romney's speech, you can read it in Paul Ryan's speech, where they were trying to make specific plays to certain segments of our society. And certainly that line was a play to the youth vote.

As Ben said, the problem is, you know, that's one line in a speech. I think that young people are looking for more than that. They're looking for, you know, policies and ideas that actually help them and the country move forward. And that's where Mitt Romney and Paul Ryan went wrong.

You know, I can tell you from our experience on the campaign -- and, Jim, certainly you can talk about this -- that in terms of youth enthusiasm, they're -- we're at an all-time high on the campaign.

Although in 2008, you know, everybody remembers it being a young person's election, it was absolutely, but the number of young people that turned out was only 1 percentage higher than it was in the previous four years, in 2004.

Now, that 1 percentage was critical. I think it was -- there were two states where it determined the outcome, right, India and...

MESSINA: North Carolina.

CUTTER: ... North Carolina. But what the difference was in the 2008 election is young people came out and worked for the president's reelection (sic), volunteered their own time, were inspired to get involved. And that same thing is true this time. All over the country, you know, colleges are just coming back in, they're organizing, you know -- can I say "hell" -- organizing the hell out of those campuses. We are above where we were in 2008 in terms of voter registration. We're above where we were in terms of youth volunteering.

So we feel pretty -- pretty good about it. So the point being, it's more than just one line in a speech that you have to do to win an election and appeal to young people.

MESSINA: And the president...

SAWYER: How much...

MESSINA: ... the president highlighted that last week. We did a college tour. Overflow crowd Sunday. We were in Boulder, Colorado, at the University of Colorado. Couldn't get everyone in there. You saw this at all the college campuses.

To Stephanie's point, our on-the-ground operation is registering a bunch of students across here, and we feel great. Every poll, including your own, shows the president leading with voters under 30 by a huge margin because he shares their values and they share the kind of future that he wants to build for this country.

SAWYER: But can you do the numbers for us, because I remember in David Plouffe's book his talks about the persuasion army and 6,000 -- of the 6,000 workers, 95 percent were young, what, 17 million people reached online.

Compare these numbers, 2008 and today.

MESSINA: That's what we're really excited about. We have seen an absolute, you know, complete expansion from what we had in 2008. We've already hit 150 percent more doors than we hit in 2008. We've registered 147 percent more voters than we did in 2008 at this time. And, you know, half the voters we registered in 2008 were after Labor Day because the students came back to campuses. We're on track to meet and exceed those.

You know, on the ground we continue to see just incredible enthusiasm, and we're going to beat all the '08 records, you know, in part because we've had five years to build this and in part because we know how to do it better.

And in part to Stephanie's point. We're seeing real enthusiasm, because people understand how important this election is and the true difference between the two candidates.

SAWYER: How is the app working where you can identify Democrats in the room? Going to try to persuade them?

MESSINA: It -- it -- it is (ph) working incredible well. You know, some of the technology we're using, this week in the convention we'll be on eight different digital platforms talk to different segments of the country. You know, we rolled out a first-of-its-kind app called Dashboard that people can organize both online or on the door (ph), wherever they want, whenever they want to do it, get lists from us of people -- their friends who may not be registered or may not have supported us yet and organize their own folks.

This is kind of light years ahead of where we were in 2008. We're going to make 2008 on the ground look like "Jurassic Park."

SAWYER: And compare the Romney efforts.

MESSINA: Well, look, I would say two things. I would say, one, they're doing more than the McCain campaign did, so I want to give them credit for that. But they're nowhere near where we are on the ground.

In this state of North Carolina we already have 50 field offices open. They haven't opened up their 20th field office. In Ohio we already have 100 field offices open. You know, I think their last report said they were somewhere near 30.

You know, we have a much bigger infrastructure on the ground. We have, you know, challenges, we got to register more voters, we got to persuade voters. But we are going to be the only campaign that can both persuade voters and turn out our voters because of what we're building on the ground. They just don't have what we have.

LABOLT: I think one -- one thing that's different here is that this is the first president in history who kept his supporters and his grassroots organization in place during the course of the presidency.

So supporters were engaged in effort to pass Wall Street reform and to pass the Affordable Care Act. And we've been organizing on the ground during this campaign for 500 days. So while the Republicans were out there pummeling each other during the primaries, our supporters were talking to their friends and neighbors about the president's record and his vision in key states across the country throughout 500 days.

So the Republicans might be able to build a turn key turnout operation that will help them for the final couple of days of the election, but what they missed was the persuasion window over the course of time. They were relying primarily on television advertisements, and at some point, with all the money being spent on the air this cycle, I think voters will tune out to some of that, and a call from a friend will be much more effective than that for many people as the election approaches.

MESSINA: Let me -- let me tell you why that's important. I was in Ohio a couple weeks ago and I did a neighborhood team leader convention. If you're a neighborhood team leader for the Obama campaign it's a big investment in time, and these people have been doing it (inaudible) for five years. We became the first campaign never to take the operation down. We kept it going to fight on health care and Wall Street reform and all those things.

And I met a team leader from Columbus who said something very wise to me. She said, "Jim, I've been an organizer on the ground in my neighborhood for Barack Obama for five years. I know every single voter in my neighborhood. I know who the people who support the president. Who know who the people who support Governor Romney. I know the people who are undecided. I know how to get

to them and who to get to them. And I know the people who may not vote. And I have a way to get there."

The Romney campaign, on the other hand, just is starting this summer to put people in her neighborhood. She has a five-year head start.

SAWYER: Let me ask you, if you don't mind my mooching one more question here, forgive me, about micro targeting in that regard, because I did read in The Washington Post, I believe -- check it everyone themselves -- that you know that swing voters drink more micro brew than other voters. Is this true?

(LAUGHTER)

MESSINA: Well...

LABOLT: Jim Messina's not a swing voter.

(LAUGHTER)

MESSINA: Exactly right. Exactly right. I drink (inaudible) from Missoula, Montana.

(LAUGHTER)

Look, you know, micro targeting is the hot topic of the day, and we endeavor to build a very much smarter campaign than any campaign before us. But here's what the truth is. The truth is it's still conversations voter to voter, person to person in the kind of grassroots army that we're building. We have a bunch of ways to communicate those messages and we're going to be as targeted as we can.

SAWYER: But tell us some of the amazing things you know about individuals.

MESSINA: But then I'd be telling the Romney campaign what we know about individuals. Here's what's true. What is true is we're going to give our supporters innovative tactics like dashboard; like a program they can go load their Facebook friends and we can tell them, of all their friends, what we know about them and how to reach out to them in ways that no campaign has ever done before.

To do one simple thing: to make people's jobs to help us easier; to make people's jobs as an organizer for the president very simple and very clarifying; to drive a very simple choice in the selection. And if we do that, we'll turn out all the voters we need to turn out and we'll persuade all the voters we need to persuade. And that's what this entire campaign has been built to do.

KNOX: So can I follow on that?

MESSINA: Sure.

KNOX: So, I know you don't like pulling back the curtain too, too far, but so pick a battleground state and tell me how many percentage points you think your ground operation is worth?

MESSINA: Look, I think data shows you it can be worth a point or two in some of these states. I think the best example, you're sitting in it. North Carolina, we won by 14,000 votes last time. All of the entire world last time said we couldn't win it and we built an amazing infrastructure to organize more people than the state had ever seen organized and registered.

We're continuing that this time. We've far surpassed what we built in '08 here in North Carolina, in Ohio, in Colorado, in Nevada. And we think it can be, you know, the point or two difference in some of these battleground states. This election is going to be very, very close and we know it. And we've always built a ground operation that can get the one or two points we're going to need to win these states and I think we're on the track to do that.

KNOX: And then I've got a question about the tone. The president has referred to the prospect that the election will be "popping the blister" or "breaking the fever" of opposition to him. How do you

work with a party whose ideology you regard as an illness to be cured, first of all? And why is it all on them?

CUTTER: Well, it's not all on them. I think that both parties need to come together and the president has acknowledged that. I think what he's talking about is really the -- the two things that have blocked our ability to get anything done in Washington. First is a Republican Party who very vocally said "our number one job is to make sure that the president is a one-term president." So that's number one. That has a certain dampening effect on your ability to get something done.

Number two is an unwillingness to make some tough choices and doing some uncomfortable things and bucking your party. You know, the Republican Party in the House is extremely unified. We've seen that. We learned that. The country learned that a year ago through the debt crisis.

And the thing that prevented us from moving forward, including a pretty significant deficit reduction deal on the table, where the president was doing some very, you know, bucking his own party, making some very tough choices, is the unwillingness to ask wealthy Americans to pay one cent more in taxes to help move this country forward.

So those two things alone have been enormous roadblocks. And I think when the president says "break the fever" or -- what was your other one?

KNOX: Popping the blister.

CUTTER: Which is disgusting.

(LAUGHTER)

He means that the American people can decide, you know, send a message. Do you want, you know, a lack of progress? Do you want Washington to be immobilized just so that we can protect these tax cuts for the top 2 percent? Do you or don't you? You decide.

KNOX: Is -- I'm sorry -- is immigration reform an example of a -- of an area in which you might get Republicans to -- I mean, give me an example of a big project that would require compromise...

(CROSSTALK)

CUTTER: Well, absolutely, immigration reform. You know, I worked on immigration reform with Ted Kennedy for years in the Senate, but we were dealing with a very different Republican Party back then. The party has just in the last four years moved so far to the right on immigration reform it's really difficult to see where, at least in the elected representatives, who we could work with on some reasonable comprehensive immigration reform.

I mean, just take a look at the Republican nominee. Sheriff Arpaio is their immigration adviser. Sheriff Arpaio was in Tampa last week and had a pretty prominent role. Sheriff Arpaio is, you know, probably the most anti-immigrant official advising the -- the Romney campaign at a pretty high level.

So right now, it's difficult to see a pathway of where we could find compromise. But what we're asking for is not that unreasonable.

KNOX: Are there better ones? Are there better examples of areas where you think you could get...

(CROSSTALK)

MESSINA: Sure. Education reform.

CUTTER: Education reform. I do think that there is a possibility for a deficit reduction deal. You know, I think everybody understands that we've got to make some tough choices and it's a matter of when that dam is going to break.

TAPPER: I have a question from Vincent (ph) on Twitter, and then I'm going to ask my own. Vincent (ph) wants to know, since we're at the NASCAR Museum: Have any of you ever attended a NASCAR race?

(LAUGHTER)

MESSINA: Yes, I have.

TAPPER: You have, the man from Montana.

MESSINA: Absolutely, absolutely. In fact, I watched the race the other night. You know, now that I'm done sleeping for the next 63 days, I watch a lot of DVR.

(LAUGHTER)

And, yeah, I love NASCAR.

TAPPER: I'm assuming your silence is...

LABOLT: I -- I -- I...

(CROSSTALK)

CUTTER: I'm not -- which one -- which one is more unlikely?

(LAUGHTER)

TAPPER: That's a tough call. That's a tough call.

(LAUGHTER)

LABOLT: NASCAR fans will accuse me of shameless pandering, but my dad grew up in Indianapolis. We used to go to the Indy 500 every year. And I paid enough attention to now that those are stock cars, not NASCAR, so I'm not -- I'm not...

(CROSSTALK)

TAPPER: So you've got to the stock car races, but you haven't gone to NASCAR races?

LABOLT: Correct.

TAPPER: OK.

And you just...

CUTTER: I have not. I've always wanted to, and I'm being honest.

(LAUGHTER)

LABOLT: You jumped into the fray.

(CROSSTALK)

CUTTER: I'm not pandering. I truly...

TAPPER: You've always wanted to go, just haven't had time.

CUTTER: It's not a big thing in Massachusetts.

TAPPER: So -- we can get to that later -- so President Obama was asked recently about the grade he would give himself. And once again, he gave himself an incomplete. It's been four years. Is that -- does that answer cut it -- an incomplete after a full term?

CUTTER: Yeah, it does because, you know, once again I'll remind you of what life was like when he took office -- 800,000 jobs were lost in that month along; 3.5 million in six months prior. And, you know, pretty quickly he was able to turn job loss into job growth. But when he's saying "incomplete," it means a number of different things.

One, we're on a path forward. You know, we're on our way up and there's a lot more that he wants to get done. He's not done yet, whether it's ensuring that we're number one in college graduations again in the world; or ensuring that this country can be energy independent; or middle-class families can regain the security that they have lost over a series of decades.

And, you know, the -- when the president says that we didn't come into this overnight, this was decades in the making, he's right. And we're not going to get out of this overnight. But take a look at what he has done to put the building blocks in place, to put this country on a long-term path for sustainable expansive growth.

SAWYER: One of the -- first of all, I'll ask Cheri's (ph) question on Twitter. Basically, how much will the president address Afghanistan in his speech? She asks: Will he? I assume he will. How much?

CUTTER: Again, I don't want to predict how much the president will deal with anything on Thursday night. But I think it's safe to say that you'll hear him talk about Afghanistan. I think it was a --

a major blunder on Mitt Romney's part not to acknowledge that we have men and women fighting on behalf of this country over in Afghanistan.

So the president -- you know, will mention Afghanistan, will talk about our troops, will talk about our veterans and what we're doing to, you know, draw down the war in Afghanistan, ensure that our veterans are protected when they come home, and our -- you know, our commitment to providing for those who have put their lives on the line for us.

LABOLT: Governor Romney has largely failed to outline a foreign policy vision at all. And I think part of what you'll hear on Thursday night, not only from the president but from speakers like Senator Kerry, are about the global challenges that we face and how we've confronted them.

When the president ran for office he promised to end the war in Iraq in a responsible way, to refocus on Al Qaida and Afghanistan and to restore our alliances around the world, and we've made a lot of progress on those fronts.

From Governor Romney we've heard a lot of chest-thumping and a lot of tough talk over the course of the past year, but we haven't heard a coherent foreign policy vision. We haven't seen him roll out a plan for America's relations with any region of the world.

And I think we saw his audition on the world stage to be leader of the free world -- and you saw the results of that, what was supposed to be a very easy trip going to London and talking about his Olympic experience, he ended up alienating our closest ally.

And so while voters are certainly focused on the economic choice in this election, I think they're also evaluating the candidates to see who will be the best commander in chief. And I think part of the program on Thursday night will be dedicated to that.

SAWYER: If you look ahead what -- what's the most you hope for coming out of this convention? You can do bounce, that you can do other -- other things. And compare it to October 3rd and the first debate.

CUTTER: I think that, you know, putting aside bounce -- and, you know, Romney campaign said they were gonna get an 11-point bounce. They didn't get it. We're not predicting a bounce because this race is so close I think it's difficult for any extreme movement in any direction.

I think that what we want out of this convention is for people to understand that the president has made some very tough decisions over the course of the last four years because it was the right thing to do for the country, not because it was politically popular. And to -- number two, to understand that there is a choice in this election and a pretty stark choice between the direction of the country and how we want to build our economy.

And, number three, a path forward to (inaudible) you know, of people walking out of that stadium on Thursday night or turning off their TV or leaving one of our watch parties -- there are thousands of watch parties that are happening all over the country that are happening organically. It's not something that we're organizing.

When they -- when they leave and turn off the president's speech they have a good understanding of the path forward, the road map, what the second term will be about, how we're going to continue the progress we've made of rebuilding an economy meant to last -- from the middle out, not the top down. A strong middle class is at the core of a strong economy. And I think people will -- will have a good idea of what we need to do that.

SAWYER: And in (ph) the debate?

CUTTER: In the debate, well? We're looking forward to it.

(LAUGHTER)

LABOLT: Governor Romney did about 30 debates last year, and we expect him to do very well.

(LAUGHTER)

CUTTER: Yes.

(CROSSTALK)

CUTTER: That answer your question?

MESSINA: Good answer, Ben.

SAWYER: So very well in what particular way?

LABOLT: No, just -- you know, obviously, the next two months will crystallize the choice that's out there, certainly seeing the two candidates on -- on the same stage addressing their visions of the future will be, I think, an important moment.

I don't think you'll see major movements at any point in this race because you haven't over the past year and a half. But at the Republican convention last week Governor Romney failed to outline a path forward. He will have to do that at these debates, and I think that when Americans compare the merits of the plans between building the economy from the middle class out or going back to the same policies that -- that led to the economic crisis in the first place that that will crystallize the choice for undecided voters.

CUTTER: I think the president is looking forward to the debates because that's really where the American people will have a firsthand view of what these candidates will mean for the country. You know, Mitt Romney has been running for president for six years, but he's waiting until the very end -- or maybe never -- to put flesh on the bones and some details behind his platitudes and policies.

I think when he's standing on the stage next to the president he's gonna have to put some details out there about how he's gonna pay for that \$5 trillion tax cut, how he's gonna end the war in Afghanistan, what he means by -- you know, when he criticizes the president for not being tough enough on Iran what exactly does he mean? Because so far we haven't heard anything that he would do differently.

So all of these issues that he's been discussing on the campaign trail and criticizing the president for, I think, you know, when we get to the debates he's going to have to put some detail on the table on what exactly a Romney presidency would mean.

KNOW: So this is a little humoring myself question...

(LAUGHTER)

... but when I -- when I sit down to watch TV these days I do it on a DVR. I don't actually watch a lot of live TV. And it's struck me over the last, maybe, six months how I see a lot more Obama ads on sporting events. And I'm wondering whether you guys are picking targets that people don't typically DVR and therefore don't typically fast forward through.

How has that -- granted, there's been a VCR for decades now -- but how has that affected the way you guys set about advertising on television?

MESSINA: I think it's changed media in general. I think people -- you're right -- view less ads. You know, there's more ads in July in the presidential race than there was in October of the 2010 election cycle. And I think what you're seeing -- I heard this great story from one of our supporters, had a three-year-old in Denver, Colorado. And they were pointing to the TV and they said to the three-year-old, "Hey, who's that?" And the three-year-old said, "Barack Obama."

And he said, "That's right."

"Well, what does he do?"

And the three-year-old looked at his dad all excited and said, "He approves this message."

(LAUGHTER)

That's life in the battleground states watching TV.

And we think at some point those voters are gonna walk out of that house -- to Stephanie's earlier point -- and have a real conversation with a supporter, with one of our volunteers at the door, online, social media, and we're building a campaign to be part of that discussion in a way that we think is really important.

Because people get their -- their political information from many more sources and in much more realtime, and we're building a campaign to be part of that discussion.

TAPPER: We have roughly five minutes left, so probably time for -- to each ask one quick question and get one quick answer.

The Bank of America stadium, how much concern -- there seemed to be an effort by Democrats early on to refer to it as "Panther Stadium," not "Bank of America Stadium." That was the inference by many in the media, in any case.

How much concern was there about the optics of holding an event in a stadium with a name so TARP-y?

MESSINA: Look, we're renting a stadium. We're paying...

(LAUGHTER)

... we're paying a stadium authority to rent a facility like we do all over the country. You know, I think people understand the difference. And we're very excited about it.

It was important to us to go outside and to get as many people involved in this convention...

(CROSSTALK)

TAPPER: Are you worried about the weather?

MESSINA: ... opportunity.

Look, you know, we're gonna have a convention out there rain or shine unless there's -- unless we're putting people at risk. And we'll continue to monitor the weather, but, you know, rain or shine we hope to be out there.

LABOLT: You know, it might be embarrassing to hold an event there if you supported repealing Wall Street reform.

But I think people know where the president stands. The fact is that he took action to ensure that we never saw the sort of financial crisis that we saw in 2008 repeated and that we never have to rely on taxpayers again to bail out the big banks. It might be embarrassing for Governor Romney to hold an event there, but we're looking forward to the opportunity to have 65,000 of our supporters in the stadium.

CUTTER: And one -- you know, we don't talk about this much, and we probably should, but every dollar that was used to bail out the banks has been paid back, thanks to this president.

SAWYER: The Romney camp would argue that the most powerful thing Governor Romney said probably in his speech was, "There's something wrong with the kind of job he's done as president when the best feeling you had was the day you voted for him."

Did you think that was the most powerful moment for him in his speech?

CUTTER: I mean, I -- I'll say what I said before. These are lines in speeches. They're not prescriptions for the country. They're not a path forward.

If that's the most powerful line in his speech, and he was counting on that line to get him across the finish line, then I think that he needs to go to Campaign 101, because I don't think that cuts it.

I think that there -- you know, the president -- clearly there's a lot of excitement about his election in 2008, and there's a lot of support for the president's reelection right now. We wouldn't be in this position that we're in if there wasn't.

You know, we're at -- at or above enthusiasm of every reelection in recent memory. So we feel pretty good about it.

But, again, you know, if that's a high point in Mitt Romney's speech, then I would probably fire the speechwriter.

TAPPER: Olivier, we have about two and a half minutes.

KNOX: I'm going to ask you about a line in a speech, not a prescription for the country. Joe Biden -- I associate this line with Joe Biden: Osama bin Laden is dead, GM is alive. Who came up with that?

MESSINA: He did.

CUTTER: I think he did.

MESSINA: He did.

CUTTER: Yeah.

MESSINA: Yeah.

KNOX: And do you think that's the most effective bumper sticker line you guys have? I mean, it's -- no, it's pithy, people...

(CROSSTALK)

CUTTER: Yeah, I mean I think it sums up some -- you know, we had some pretty big things to get done for this country, and, you know, we did them. You know, bin Laden is dead, we broke the back of Al Qaida. You know, the auto industry was on the verge of bankruptcy, an iconic American industry that would have meant a million jobs lost throughout the country, and now they're creating hundreds of thousands of jobs.

And when we say it's been four years, yes, it's been four years, just four years, and these big things have gotten done. It did 70 years to pass health care reform, but we got it done.

SAWYER: Can we do a confidence word at this moment? How confident are you you're going to win?

MESSINA: Look, we understand this is going to be a close election, but we're confident in the choice, and we're confident when people understand that choice that we're going to win this election.

CUTTER: Confident.

LABOLT: Ditto.

(LAUGHTER)

TAPPER: Just to underline that, if the American people see it as a choice you think you'll win, but that's...

LABOLT: Well, it is a choice.

TAPPER: ... almost implicit, that if it's a referendum...

(CROSSTALK)

LABOLT: That's -- that's what -- that's what Governor Romney -- that's what Governor Romney when he selected Congressman Ryan said it is, he said it's a choice between two different economic visions and agendas for this country. And we're confident that when people compare the visions, the fact is we've implemented the Romney and Ryan policies before and they were a financial house of cards that collapsed in 2008.

And so it's our job to lay out that case.

TAPPER: My only point is that if it's a referendum you may not be as confident, but if it's a choice you are. That's -- that's implicit in what you're saying.

CUTTER: Well, it is a choice, so...

MESSINA: We've been saying it's a choice since the very first day.

CUTTER: Right.

TAPPER: I will take that as a yes.

We have -- we have 30 seconds left. Jim, as the campaign manager, is there a last pithy word you want to get in?

MESSINA: Well, look, we are incredibly (inaudible) North Carolina to both use the convention to do the national messaging Stephanie talked about, but in addition to use it as a way to have a convention, a discussion with the entire country. And we're going to use it as an organizing opportunity.

We think, you know, people will be excited about some of the different things we're going to roll out to have people participate in this convention and this campaign, to build what we're trying to build, which is the largest grassroots political mobilization in the history of American politics.

TAPPER: All right, I'll let you have the last word there.

Thanks so much to our panel, Jim Messina, Stephanie Cutter and Bin LaBolt. Thanks to you for watching. Thanks to you at home.

Of course my appreciation to Olivier Knox and Diane Sawyer.

For ABC News and Yahoo News, thank you so much for watching. Don't forget to watch our live stream coverage at abcnews.com or at Yahoo and of course on ABC News this evening.

Thank you.

(APPLAUSE)

END