I read Carlton and Laury (1980) as follows: don't expect to reach the optimum when using a Pigouvian tax as an output tax; be aware that no output tax exists to reach the social optimum (Th 2), unless pollution is proportional to output (Th 3). But if you complement the Pigouvian tax as an output tax with a fixed tax/subsidy F, you can implement the social optimum (Proof of Th 4).

Now let us consider the abstract of the manuscript under review.

"The efficiency of the Pigouvian tax suggests that price-based regulation is the proper benchmark for efficient regulation. However, results due to Carlton and Loury (1980,1986) question this; when harm depends on scale effects a pure Pigou tax is inefficient regulation in the long run."

so far, CL1980 and the Ms make the same point.

"In this note we make precise that there is an efficient tax scheme

for controlling harm as long as social optimum exists. In particular, the efficient tax scheme is based on a tax rate equal to marginal harm."

That is also in CL180, proof of Th4.

"Hence, price regulation is the right benchmark for regulation even in the presence of scale effects in the harm function."

This does NOT contrast CL1980.

I read the contribution of the manuscript under review mainly as confirming CL1980.