(2) STORMWATER BEST MANAGEMENT PRACTICES.—The control of pollutants from municipal separate storm sewer systems for the purpose of demonstrating and determining controls that are cost-effective and that use innovative technologies in reducing such pollutants from stormwater discharges.

(b) ADMINISTRATION.—The Administrator, in coordination with the States, shall provide municipalities participating in a pilot project under this section the ability to engage in innovative practices, including the ability to unify separate wet weather control efforts under a single permit.

(c) FUNDING.—(1) In general.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2002, $15,000,000 for fiscal year 2003, and $20,000,000 for fiscal year 2004. Such funds shall remain available until expended.

(2) STORMWATER.—The Administrator shall make available not less than 20 percent of amounts appropriated for a fiscal year pursuant to this subsection to carry out the purposes of subsection (a)(2).

(3) ADMINISTRATIVE EXPENSES.—The Administrator may retain not to exceed 4 percent of any amounts appropriated for a fiscal year pursuant to this subsection for the reasonable and necessary costs of administering this section.

(d) REPORT TO CONGRESS.—Not later than 5 years after the date of enactment of this section, the Administrator shall transmit to Congress a report on the results of the pilot projects conducted under this section and their possible application nationwide.

(2) SEWER OVERFLOW CONTROL GRANTS.—Title II of the Federal Water Pollution Control Act (33 U.S.C. 1342 et seq.) is amended by adding at the end the following:

SEC. 22I. SEWER OVERFLOW CONTROL GRANTS.

(a) In general.—In any fiscal year in which the Administrator has available for obligation at least $1,350,000,000 for the purposes of section 601—

(1) the Administrator may make grants to States for the purpose of providing grants to a municipality or municipal entity for the purposes described in paragraph (1) of subsection (b) for the purpose of demonstrating and determining controls in reducing such pollutants from stormwater discharges; and

(2) the Administrator may make direct grants to a municipality or municipal entity for the purpose of demonstrating and determining controls in reducing such pollutants from stormwater discharges.

(b) ADMINISTRATION.—The Administrator shall give priority to applications for grants under subsection (a) in selecting from among municipalities applying for grants for purposes described in paragraph (1) of subsection (a), a State or the Administrator shall give priority to an applicant that—

(1) is a municipality that is a financially distressed community under subsection (c); or

(2) has implemented or is complying with an implementation schedule for the 9 minimum controls specified in the CSON control policy referred to in section 402(q)(1) and has begun implementing a long-term municipal combined sewer overflow control plan or a separate sanitary sewer overflow control plan.

(c) FUNDING.—(1) The amounts appropriated to carry out this section $750,000,000 for each of fiscal years 2002 and 2003. Such sums shall remain available until expended.

(2) All remaining amounts for making grants to States under subsection (a)(1), in accordance with a formula to be established by the Administrator, after providing notice for public comment, that allocates to each State a proportional share of such amounts based on the total needs of the State for municipalities and combined sewer wastewater treatment facility.

(d) INFORMATION ON CSOS AND SSOS.—Of the amounts appropriated to carry out this section for each fiscal year—

(1) the Administrator may retain an amount not to exceed 1 percent for the reasonable and necessary costs of administering this section; and

(2) the Administrator, or a State, may retain an amount not to exceed 4 percent of any grant made to a municipality or municipal entity under subsection (a), for the reasonable and necessary costs of administering the grant.

(e) REPORTS.—Not later than December 31, 2003, and periodically thereafter, the Administrator shall transmit to Congress a report containing recommended funding levels for grants under this section. The recommended funding levels shall be sufficient to ensure the continued expeditious implementation of municipal combined sewer overflow and sanitary sewer overflow controls nationwide.

(f) INFORMATION ON CSOS AND SSOS.—(1) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall transmit to Congress a report summarizing—
(A) the extent of the human health and environmental impacts caused by municipal combined sewer overflows and sanitary sewer overflows, including the location of discharges causing such impacts, the volume of pollutants discharged, and the constituents discharged;

(B) the resources spent by municipalities to address these impacts; and

(C) an evaluation of the technologies used by municipalities to address these impacts.

(2) TECHNOLOGY CLEARINGHOUSE.—After transmitting a report under paragraph (1), the Administrator shall maintain a clearinghouse of cost-effective and efficient technologies for addressing human health and environmental impacts due to municipal combined sewer overflows and sanitary sewer overflows.