In January 1908, the Government of Manitoba purchased the Bell Company’s local telephone interests and created Manitoba Government Telephones, Canada’s first provincially-owned telephone system. By 1910, the system had expanded to include nearly 30,000 telephones, necessitating the construction of several large telephone exchange buildings – on Sherbrook Street (opened in the summer of 1910), on Charlotte Street (now Hargrave Street, opened early in 1911 as an exchange and system headquarters) and Burrows Avenue (opened in late 1911).

Expansion of the system continued rapidly through the 1910s, with new exchange buildings completed across the province. In 1921, the system became the Manitoba Telephone System (MTS) and by 1926, Winnipeg had been converted to fully automatic service, the first large Canadian city to do so.
The government announced in the Legislature in September 1930 that MTS was embarking on a major expansion program that included the construction of a modern new downtown headquarters, located on the site of the old Bell Telephone Building. The MTS Building, 166 Portage Avenue, was officially opened two years later.

The six-storey building (plus penthouse) is built on an internal structure of reinforced concrete and steel and features 33.0-centimetre brick walls, the front (north) façade clad in limestone. The building measures 32.9 x 39.0 metres. The front elevation is symmetrical, a dark band of stone cladding is found at grade. The elevation is divided into five vertical bays by thin pilasters running up the façade and ending above the flat roof. Within each bay are thinner pilasters giving further vertical emphasis. The entrance is placed in the centre of the elevation in a pointed arched opening. Window openings are arched on the ground floor and rectilinear on all upper floors. The second storey openings are heavily ornamented with Gothic Style influences – stylized logos on the separating pilasters and trefoil with pointed heads filling the spandrels above. The roofline is highlighted with unadorned stone panels and geometric shapes in the raised pilaster ends.

The west façade faces a narrow side lane and features modest brick pilasters and windows in rectilinear openings. The east façade is also divided by unadorned brick pilasters with windows in rectilinear openings with stone lug sills on each floor. The neighbouring building nearly abuts the south (rear) façade, which includes plain brick pilasters and windows in rectilinear openings.

The building is an excellent, rare local example of the Art Deco style, popular throughout North America from 1920s to 1940s. Art Deco design emphasized smooth façades, hard edges and low-relief ornamentation, often a series of repeating geometric forms around windows, doors and along the roofline. The straightness of the style often found expression in square-headed windows, arranged in prominent vertical bays.

The interior, originally and today, holds offices and telephone equipment. The most original and ornate area of the building is the front entrance and elevator lobbies. Here one finds terrazzo flooring, with “MTS” lettering, vaulted ceilings and brass accenting and lighting.
The building is in good structural condition for its age and its main façade does not appear to have suffered major alteration. It was designed by Alexander D. Melville (1873-1949), Scottish-born and trained architect who was hired to design many other telephone exchange buildings throughout his long career. He arrived in Winnipeg in 1903 and worked for over a decade with his older brother William. They were responsible for creating the base plans from which dozens of the City’s pre-World War I fire halls were built as well as office buildings, warehouses and private homes.

MTS expansion over the decades has dramatically increased its staff and office space requirements. It now occupies the newer buildings at 191 Pioneer Avenue and 333 Main Street although it still maintains its ownership and partial occupation of 166 Portage Avenue.

Elements of the building that would require approval if alterations were planned are:

Exterior-
- Symmetrical main (north) façade with dark band of stone at grade, wider pilasters dividing the façade into five bays, each bay further divided by narrower pilasters running from the second floor to just above the roofline, windows in arched openings on the ground floor and rectilinear openings on all upper floors, central main entrance in pointed arch opening, second floor windows with stylized logos on the separating pilasters and trefoil with pointed heads in spandrels and flat roofline with unadorned stone panels and geometric shapes in the raised pilaster ends.

Interior-
- Portage Avenue main floor entrance and elevator lobbies.